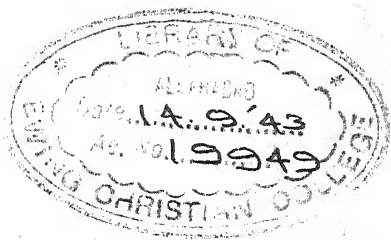


LAND REVENUE POLICY In the United Provinces Under British Rule

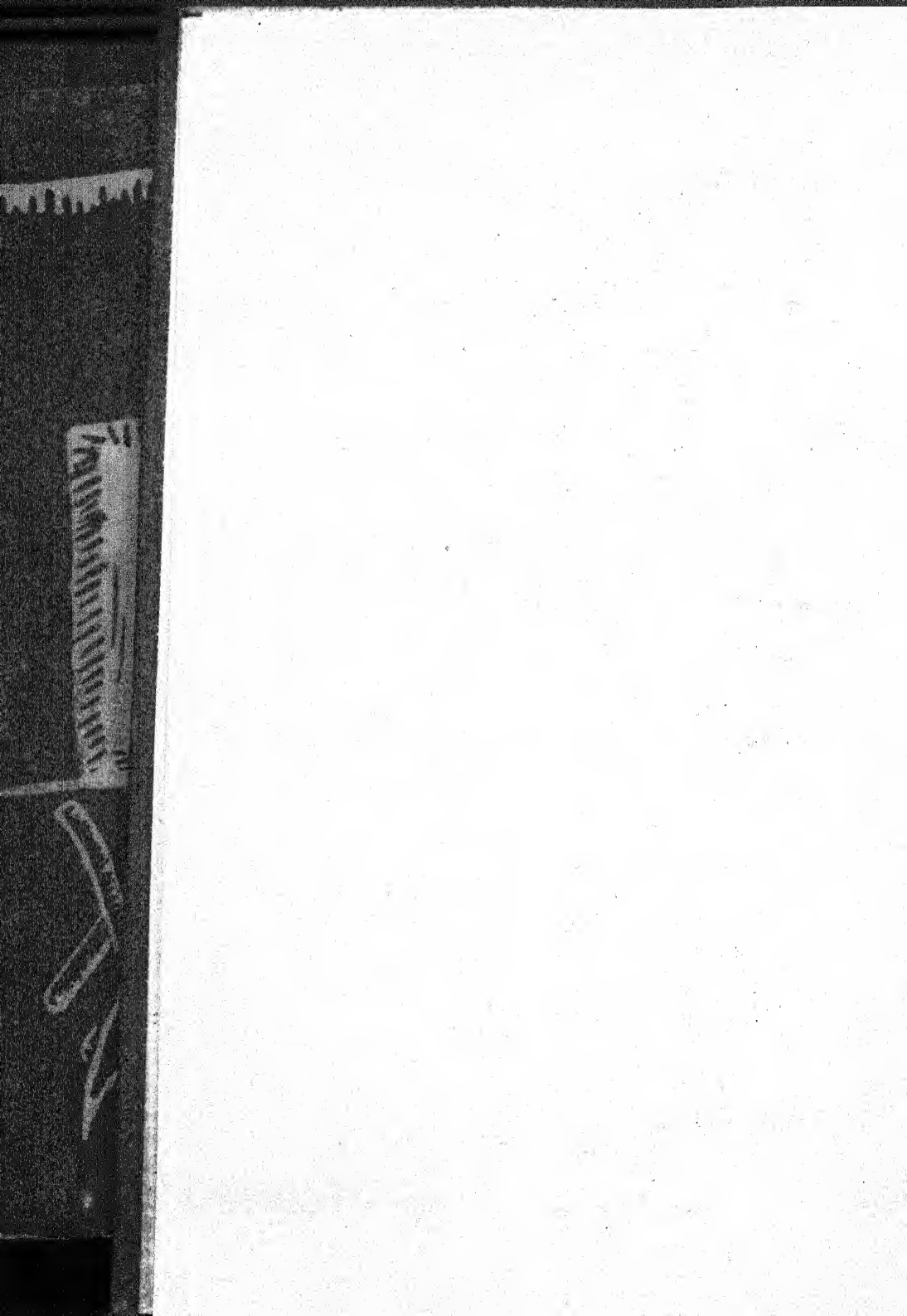
By

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NAND KISHORE & BROS.
BENARES

1942



By the same author

INDIAN PROVINCIAL FINANCE
Oxford University Press

336.12
H 36 L

PRINTED BY J. K. SHARMA AT THE ALLAHABAD LAW JOURNAL PRESS
ALLAHABAD

PREFACE

In a predominantly agricultural country, like India, no one item of revenue, whether customs, income-tax, or income derived from railways, can compare in importance with land revenue. Agrarian problems and policies greatly influence the prosperity of the masses of the country. Hence, pride of place must be given, amongst all the activities of the Government, to those which relate to the problems of land revenue, that is, principles of assessment, tenancy legislation, land alienation, protection of the cultivating classes from the exploitation of the *zamindars*, construction of irrigation works, introduction of scientific methods of cultivation and the institution of the co-operative movement.

The following work is an attempt at presenting a synthetic view of the land revenue policy in the United Provinces under British rule. In order to understand the present problems of land revenue, and the effects of the policy pursued by the Government, it is necessary to study land revenue from a historical perspective. Broadly speaking, four landmarks are noticeable in the growth of land revenue system in this province under British rule. From the time of British conquest till the Mutiny (1857), the object of the East India Company was to realize a large amount of revenue necessary for

the wars in which the Company was engaged. The institution of the Permanent Settlement was partly the result of this necessity. In this disturbed period there was little opportunity for placing land revenue demands on sound theoretical basis. In some cases the equilibrium of rural economy was also disturbed during this period. The second period began soon after the Mutiny and came to a close with the Viceroyalty of Lord Curzon (1899-1905). During this period the work of survey and settlement was completed and the land revenue demand was placed on a basis which even to-day prevails with slight changes. Lord Curzon's famous Resolution (1902) on land revenue policy is a landmark in the development of land revenue principles in India. The third period (1900-1920) witnessed the development of the Co-operative Credit Movement and the introduction of agricultural research and experimentation carried on by the Imperial and Provincial Agricultural Departments. The general character of land revenue, however, did not change greatly. Soon after the close of the War (1914-18), a fresh period of activity began and a series of legislative measures were passed beginning with the Oudh Rent (Amendment) Act, 1921 and culminating in the United Provinces Tenancy Act, 1939. During this period (1920-40), the burden of land revenue and rentals has been decreased and the State has helped the peasantry against the exploitation of money-lending classes by passing Debt Relief Acts. In no other period of British rule the peasantry gained more than in this

period. The inauguration of Provincial Autonomy (1937) and the coming of the Congress Ministries in power gave a fresh impetus to reforms relating to land revenue and tenancy problems.

It is my pleasant duty to thank Dr. Vera Anstey of the London School of Economics for her criticism and advice. I am deeply obliged to the late Sir Edward Blunt, K.C.I.E., O.B.E., I.C.S., for going through the MSS. and suggesting valuable improvements. I also wish to express my deep indebtedness to Professor Radhakamal Mukerjee for valuable aid rendered in the preparation of this work. Thanks are also due to my friend Prof. R. Dwivedi of the English Department of the Benares Hindu University for reading through the MSS. My old pupils, Messrs R. L. Agrawal and R. D. Vidyarthi, now my colleagues, helped me in various ways in preparing the MSS. For the index I am obliged to Professor Agrawal.

Last but not least, I am deeply indebted to the Librarians of the London School of Economics and Political Science, the India Office, and of the High Commissioner for India and the Imperial Library, Calcutta, and the Legislative Council Library, United Provinces for their courteous assistance and the abundant facilities which they always placed at my disposal.

February 1, 1942

Benares Hindu University

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CHAPTER I

INTRODUCTION

The well-being of the agricultural classes in India must form a matter of the most intimate concern to the Government. The rural classes have the greatest stake in the country because they contribute most to its revenue. Land revenue has been of outstanding importance because it provides a large proportion of the total revenue of the country. It cannot be denied that upon the incidence of the land revenue or rentals the prosperity of cultivators in a great measure depends. Moreover, the part which land policy has played in the general administration of the country and the controversies which have raged around the principles of assessment, make it a subject of the greatest importance.

It is impossible to discuss as a whole the land problems of India. The system of land tenure, principles of assessment, and types of Settlement differ from province to province. The two main sub-divisions of land system in India are *Zamindari* and *Ryotwari*. In the former the landlord pays the land revenue to the State whether he cultivates the land himself or by means of rent-paying tenants; in the latter the cultivator pays the revenue directly to the State. The

Zamindari tenure is the prevailing form of land tenure in the Central Provinces, the United Provinces, Bengal, Bihar, Orissa, and the Punjab. The Ryotwari tenure is to be found over the greater part of the Presidencies of Madras and Bombay. In the following pages the land system of the United Provinces of Agra and Oudh will be discussed; the conclusions reached, however, may apply only to a limited extent to other Zamindari areas.

Medieval Outlook

At the outset it is desirable to point out certain outstanding facts which profoundly influence the problems of land policy in this country. Rural India is essentially mediæval in its outlook. A keen observer of Indian economic life has correctly remarked that India must not be judged by its great ports and industrial areas. These latter are the scenes of striking anachronisms, symptomatic of the direct impingement of the modern on the mediæval.¹ Feudalism prevails in different degrees in various parts of the country. The influence of landlords in Zamindari tracts is well known to all those who are familiar with the economy of rural life in India. The peasantry far from being generously treated by the zamindars was rack-rented, impoverished, and oppressed and this compelled the Government to intervene on their behalf by passing a series of legislative measures that commenced with the Bengal

¹ Anstey, Vera., *The Economic Development of India* (Longmans) 3rd edition, 1936, p. 1.

Tenancy Act of 1859 and have culminated in the recent Tenancy Acts (1939) passed in the various provinces. What matters most of all to the ryot is his relations with his landlord. Agrarian legislation has not afforded enough protection to him and his long-pursued opponents have often taken shelter behind the subtleties of law to defeat its provisions. Thus feudalism has made it exceptionally difficult for the Government to help him.

Another reminiscent of mediævalism is the absence of the economic ideal of material progress. Religion still holds the most predominant place in the everyday life of the people. The facile doctrine of an inexorable fate creates a fatalistic attitude and makes it difficult to stimulate economic effort and raise the standard of living. The prevalence of custom, tradition, and sometimes superstition narrows down individualism and subordinates personal initiative and competitive spirit. Hence it is not surprising that even today the outstanding characteristics of mediæval life "such as the self-sufficing agricultural unit, primitive methods of agricultural and industrial production, and the organization and control of industry and commerce by means of local gilds, still prevail in India."²

Influence of Rural Economy

Land policy in India is also greatly influenced by natural conditions. Agriculture, to a large extent, even though it is protected by canals, wells, and tanks,

² Anstey, op. cit., p. 4.

depends upon the monsoon rainfall. The relation of cause and effect between good rainfall, abundant crops, and agricultural prosperity and between bad monsoon, deficient produce, and a suffering peasantry is in no country in the world more pronounced than in India. To understand the problems of land policy, therefore, it is necessary to refer to some aspects of the rural conditions of the country. The source of much confusion and misunderstanding that is usually connected with the larger issues affecting land policy, and the connection between it and the poverty of the people, would be clarified by such study.

The three important problems of the rural economy of the province which directly or indirectly affect land policy are: (i) Pressure of population, (ii) Size and distribution of holdings, and (iii) Rainfall.

Area and Population

The total area of the United Provinces of Agra and Oudh together with the States of Rampur, Tehri-Garhwal, and Benares, is 1,12,191 square miles, of which 1,06,248 square miles are British territory and the remaining 5,943 square miles fall within the States. The British territory is divided into 48 districts, each in area roughly corresponding to the larger English counties.

It may be interesting to mention that the population of the province (56.34 millions) in 1941, exceeds that of England and Wales (40 millions), Italy (43

millions), or France (41 millions). The population of Oudh alone is one and a quarter times that of Canada, and the population of the Gorakhpur and Fyzabad divisions each exceeds that of Australia.

The excessive pressure of the population on land affects some of the most important problems of land policy. In the province where the average density in extensive rural areas exceeds that of almost any other part of the world, extreme poverty must prevail. The assertion that India is not over-populated cannot be supported, in face of a smaller produce per head in spite of the great increase in total production, during the present century. Under present conditions, there is good reason to suppose that in many areas the "optimum population has long since been surpassed."³ The excessive pressure of the population must result in a miserably low standard of life of the masses. This must inevitably react on land policy of the Government and make its task more difficult. For example, one of the most important questions which has keenly been debated during recent years is: "What rent should be charged?" The Committee (1931) appointed by the United Provinces Congress Committee to enquire into the agrarian situation in the province remarked: "We think the only way of fixing rent is to find out the income and expenses on an average holding and fix a proportion of the surplus, if there be any, as

³ See Anstey, Vera, *op. cit.*, p. 40.

rent."⁴ With the growth of population the pressure of population on land has considerably increased and the size of the holdings has become very small. Though there is not enough data available to enable one to find out the normal yield of an average holding, nevertheless, it is generally accepted that the great majority of the cultivators' holdings are only slightly above the economic limit and the surplus available to the "average" cultivator, after defraying the cost of production, is meagre, which in years of bad rainfall or agricultural depression disappears. Now, if rents are fixed on the basis of surplus, as proposed by the Committee, the greater portion of land revenue will disappear. I feel that some of the most difficult problems of land policy during British rule have arisen on account of the heavy pressure of population on land. The problems of rack-renting, small and fragmented holdings, sub-letting, exemption of uneconomic holdings from payment of rent or revenue and abuse of the tenancy law are all ultimately connected with the pressure of the population on land.

The Size of the Holdings

The growth of population has affected the size and the distribution of holdings in India. The great majority of holdings are below the economic size. Intensive village surveys reveal that in most parts of India the holdings have considerably decreased in area during

⁴ *Agrarian Situation in the United Provinces* (Law Journal Press) Allahabad, 1931, p. 28.

the past fifty years. In an intensive village survey which I conducted in a Cawnpore village, I found the distribution of land in the village in the following manner:⁵

Tenants cultivating 1 acre were	100
Tenants cultivating 2 acres were ..	50
Tenants cultivating between 3 and 4 acres were	42
Tenants cultivating between 5 and 6 acres were	19
Tenants cultivating about 10 acres were ..	14
Tenants cultivating about 15 acres were ..	2
Tenants cultivating over 15 acres were ..	nil

The average size of the holding for the village was 2.47 acres. Holdings vary greatly in size in different parts of the province, the average being as high as 12 acres in precarious regions of Bundelkhand, and as low as 3.5 acres in fertile areas of the eastern districts.⁶

Similar statistics are available for other provinces. In an enquiry conducted in some 24,000 Punjab villages for the Royal Commission on Agriculture it was found that 22.5 per cent of cultivators cultivated 1 acre or less; 33.3 per cent cultivated between 5 and 10 acres; and 23.7 per cent cultivated 10 acres or more.

The prevalence of small holdings raises important questions in the field of land policy in India. How

⁵ Misra, B. R. *An Economic Survey of a Cawnpore Village* (Government Press, Allahabad) 1931, p. 15.

⁶ *Report of the United Provinces Banking Enquiry Committee* (Government Press, Allahabad) 1929-30, Vol. I, p. 22.

tals is excessively heavy on small-sized holdings. To lighten it the creation of economic holdings has often been suggested. Such a solution would entail the removal from land of a large proportion of the population. This is practically impossible under the present economic conditions. Therefore, to improve the condition of the ryots in India it is necessary to attack the problem of his poverty along many lines.

The Monsoon and Land Policy

Perhaps the most important factor which affects land policy and its administration is the monsoon. A failure of the rainfall affects unfavourably, and in some cases calamitously, the entire agricultural community. The suspension of the rains means a suspension of labour; the suspension of labour means a drying up of the means of subsistence; and the latter is necessarily followed by distress and destitution. There is no industry in the world the sudden interruption or the temporary destruction of which is not attended with poverty and suffering; and there is no country in the world where the meteorological and economic conditions are at all similar to those prevailing in India, that could by any land revenue system that might possibly be devised escape the same results.¹¹

The economic fallacy of the alleged connection between the recurrence and intensity of famine in India and land policy was pointed out by Lord Curzon in the

¹¹ See the *Government of India Resolution on Land Revenue Policy* (1902) (Government Press) Calcutta.

Government of India Resolution on Land Revenue Policy in 1902. It may be submitted here that no alteration in the system of scale of assessment can permanently save the agricultural population of India from the effects of climatic disaster.

Apart from the loss of revenue, a failure of rainfall sets in forces which need special care. Cholera, plague, and other diseases quickly follow and result in heavy mortality due to the lower vitality of the masses. The monsoon months are thus a subject of deep concern to the masses in general and to the cultivators and the Government in particular.

Thus it is clear that no reduction of the land revenue demand, not even its total abolition, can enable the Indian agricultural community to hold up its head against a calamity so disastrous in its consequences. The object of the Government should be to minimise the pressure of the failure of rainfall by the construction of irrigation works and improving the economic status of the masses.

Plan of the work

In the first place an account will be given of the early revenue history of the Agra province. Secondly, attention will be drawn to the landmarks in the growth of the modern principles of assessment as developed in the latter part of the nineteenth century and the twenties of the present century. Thirdly, the land settlement in Oudh will be described. Fourthly, an historical account of tenancy legislation in the Pro-

vinces of Agra and Oudh till 1939 will be given. This will be followed by an examination of the problems of tenancy reform, rents, revenue, and prices. Finally, an attempt will be made to examine the land policy pursued by the Government. Incidentally, the fundamental obstacles in the way of improving the condition of the peasantry will be pointed out and the possible remedies suggested.

Method of Approach

A word may be said regarding the method of approach. The subject is treated from the historical standpoint from a belief that it is only from the study of historical developments that we can secure a right perspective. The problems of land policy change at short intervals; and their study, without a historical background, may be only superficial. On the other hand, the historical method of approach should result in seeing the problem as a growth rather than as a haphazard incident. It is with this end in view that I have discussed in detail the history of the principles of assessment and tenancy legislation in these provinces from the time of the British conquest. Much of the confusion in the ideas relating to the rights of occupancy, *sir* lands, fixation of rentals and other customary rights in waste lands claimed by the cultivators and refused by the landlords is clarified by such a study.

Composition of the Province

For the purpose of historical study it is desirable to point out here the composition and growth of the pro-

vince of Agra and Oudh under British rule. The present United Provinces of Agra and Oudh (formerly known as North-Western Provinces) are composed of six groups of territory separately acquired at different periods. They are:—

1. The 'Benares Province' which was acquired, in 1775 by a treaty, from the Nawab Wazir of Oudh. It is now represented by the present district of Benares, the northern part of Mirzapur, Jaunpur, Ghazipur and Ballia. It is under Permanent Settlement.

2. The 'Ceded Districts' consist of Azamgarh, Gorakhpur, Basti, Allahabad, Fatehpur, Cawnpore, Etawah, Mainpuri, Etah, Shahjahanpur, Badaun, Bareilly, Pilibhit, Moradabad, Bijnor, and the Tarai parganas. These districts were ceded by the Nawab of Oudh in 1801 and the whole area was for a long time known as the 'Ceded Districts'.

3. The 'Conquered Districts' acquired by the victories of Lord Lake (1803) are represented by the districts of Agra, Muttra, Aligarh, Bulandshahr, Meerut, Muzaffarnagar, and Saharanpur. This entire area was called 'Conquered Districts'. The Ceded and Conquered Districts, roughly speaking, make up the present province of Agra.

4. The district of Dehra Dun was ceded in 1815 after the Nepal War.

5. The Bundelkhand districts of Banda, and Hamirpur were acquired between 1803 and 1817. The districts of Jalaun, Jhansi, and Lalitpur were acquired by lapse and forfeiture between 1840 and later years.

6. The Province of Oudh was acquired in 1855.

The United Provinces of Agra and Oudh, with the exception of the areas represented by the old Benares Province, is under temporary settlement which is revised every forty years. The land tenure in the province of Agra is called *Zamindari* and in Oudh *Talukdari*, which is only a different form of *Zamindari*.

CHAPTER II

PERMANENT SETTLEMENT

Introductory

It may hardly be a matter of interest now to study in detail the history of Permanent Settlement in the Agra Province. But a close study of the Bengal Regulations and the early revenue policy leads us to some important conclusions. The primary object of the East India Company in reorganising the revenue administration was to safeguard the punctual receipt of the land revenue. For this purpose the expansion of cultivation was indispensable, and in the opinion of the Government, this object could only be achieved by giving to all people interested in the land, down to the actual cultivator, a sense of security based on a well-founded belief that it would be they, and not their superiors, whether the State or the landlord, who would reap the benefit of their industry and enterprise.¹ Meanwhile, new ideas made their way and it began to be realized that a proper method of assessing revenue was not yet developed. Indeed, after a long series of experimental stages it was felt that with the growth of population and

¹ *Report of the Land Revenue Commission Bengal*, Vol. I (Government Press) Calcutta, 1940, p. 19.

progress of cash-rents the revenue demand was bound to increase considerably. Thus the hesitating policy of the Court of Directors about the introduction of Permanent Settlement unmistakably points to the fact that with the consolidation of British power in India the old necessity for Permanent Settlement had disappeared. Moreover, the recognition of the *Bhaichara* type of tenure in which the co-sharers or the villagers were jointly liable to the Government for their revenue made it necessary to change the type of Settlement and demanded a systematic survey and a minute inquiry for safeguarding the rights of peasantry. How both these ideas profoundly changed the language of Minutes and Regulations during this period (1803-1861) and resulted in a new departure in matters regarding revenue administration will be described in this chapter.

Early History (1803)

After the cession of the Ceded Districts by the Nawab Wazir, the affairs of the districts were placed under the control and supervision of a Lieutenant-Governor and a Board of Commissioners, to whom were entrusted the settlement of the revenue and the formation of a temporary scheme of administration till sufficient information was available. Under this temporary provision the collection of the revenue was committed to the charge of civil servants of the Company, acting under the orders of the Lieutenant-Governor, stationed in the various districts in which the territory was divided. The duties of the collectors are mentioned in

Regulation XXV of 1803.² They consisted in ascertaining the resources of the country, settling a system of law and revenue in all its details, collecting the revenue and functioning as magistrate and judge. The Board of Revenue was to supervise the conduct of the collectors in the work of Settlement and collection of the revenue. The affairs of the districts continued under this temporary arrangement till the beginning of 1803, when the Settlement of revenue was completed for a period of three years.

For the actual government of the Ceded and Conquered Districts the Code of Regulations in force in the province of Benares was introduced in 1803 and 1805 with certain modifications. The most important difference was in connection with the Permanent Settlement. By the Proclamation issued for the Ceded Districts on July 14, 1805,³ and for the Conquered Districts on July 11, 1805,⁴ provisions were made similar to those in force in Benares for the consolidation of cesses with rent and for delivery of leases, the Government expressly reserving to itself the right of legislating for the protection of the ryots.⁵

² Regulation XXV of 1803, Ss. 2 to 7. For Regulations I have used *Bengal Regulations* prepared by Richard Clarke, I.C.S., 3 Vols. (J. & H. Cox, London, 1854).

³ Incorporated in Regulation XXV of 1803, *Bengal Regulations*, Vol. I.

⁴ Incorporated in Regulation IX of 1805, *Bengal Regulations*, Vol. I.

⁵ Regulation XXV of 1803, S. 29; Regulation IX of 1805, Ss. 13 and 14.

Intention of Government to settle permanently

In regard to Settlement the following plan for the Ceded Districts was announced:—

1. A triennial Settlement from 1802-03 to 1804-05.
2. A triennial Settlement with the same persons from 1805-06 to 1807-08.
3. A quadrennial Settlement with the same persons from 1808-09 to 1811-12.

At the expiration of the above period of ten years a permanent settlement was to be concluded with the same persons (if willing to engage, and if no others with a better claim came forward), for such lands as might be in a sufficient state of cultivation to warrant the measure, on such terms as government should deem fair and equitable.

A similar course was prescribed for the Conquered Districts, with necessary variations only as to the years comprised in several Settlements, as noted below:—

1. A triennial Settlement from 1805-06 to 1807-08.
2. A second triennial Settlement from 1811-12 to 1814-15.
3. A quadrennial Settlement from 1811-12 to 1814-15.

In Bundelkhand the first Settlement was confined to the year 1805-06, after which three triennial Settlements were to follow in the nine years from 1806-07 to 1814-15. At the expiration of the Settlement of 1814-15 a permanent settlement was to follow on conditions

similar to those prescribed for the Ceded Districts.

In these terms the supreme Government pledged itself to the landholders to introduce Permanent Settlement on the lines of Bengal. The sanction of the Court of Directors was, however, omitted in the Regulation. The Government, accordingly, in Regulation X of 1807, supplied this omission by informing the landholders of the Ceded and Conquered Districts that the promise of fixing in perpetuity the assessed *jama* of the Settlement for the term of four years shall depend upon the sanction of the Court of Directors. (Regulation X of 1807, s. v).

Severity of the Revenue Demand

The collection of the revenue for the year in which the districts were ceded proceeded on the basis of existing engagements with the landholders and *aumils*. On the expiry of the year the land revenue was increased 'on *russud* or annual augmentation founded on the expectation of increased cultivation.' As to how much more land was brought under cultivation no records are available. But the increase in revenue in the third year of the Settlement over the revenue realized at the time of the cession was, Rs. 32,99,589, or more than 19 per cent. It is difficult to say whether the increase was justified and not too heavy, even if more lands were brought under cultivation. One thing is apparent, that an increase of 19 per cent in three years just at the beginning of the occupation, when collection of revenue was mainly through *aumils* and when there was no im-

provement in agriculture, smacks of harshness and severity.

Appointment of a Special Commission—The Genesis of the Modern Board of Revenue

When the second triennial Settlement approached its termination and arrangements had to be made for preparing a Settlement for a term of four years, which might, in consequence of promises,⁶ and with the approval of the Court of Directors,⁷ become permanent, the Government deemed this measure of such a paramount importance, as requiring the superintendence of a Special Commission. Hence a Special Commission was appointed. The members of this Commission were Messrs. R. W. Cox and St. George Tucker. In the Commission were vested the control of the revenue of the Ceded and Conquered Districts with the exception of the territory assigned to Shah Alam at Delhi and the province of Cuttack. The Commissioners were vested with duties, powers and authorities which were exercised by the Board of Revenue. In the like manner the duties of the secretary and accountant of the Board of Revenue were to be performed by the secretary and accountant of the Board of Commissioners.⁸

The Commissioner's Report (1808)

Having entered on the execution of their work, it appears, the Commissioners began to doubt the expe-

⁶ See Proclamations of 1802 and 1805. See Regulation XXV of 1803 and Regulation IX of 1805. (Vol. 1, *Bengal Regulations*).

⁷ Regulation X of 1807. (*Bengal Regulations*, Vol. 2).

⁸ Regulation X of 1807, S. 2 (*Bengal Regulations*, Vol. 2).

diency of concluding a permanent settlement in the newly acquired territory. It was deemed advisable to call for the opinion of the collectors on the spot, who, it was expected, would be in a better position to express their views on local conditions. Hence the members, Messrs. R. W. Cox and St. George Tucker, issued a circular from Sheorajpur, a town in the Cawnpore district, to all collectors asking for information regarding their districts and their opinion regarding perpetuity of tenure. The letter runs as follows:—

It is almost unnecessary to observe that principles which scarcely admit of a question, and which recent experience in the Lower Provinces (i.e., Bengal) may now be considered to have established in the most satisfactory manner, point to the expediency of limiting the demand of Government upon land; and the Governor-General-in-Council, in enacting Regulation X of 1807, has evidently in view to extend to the Ceded and Conquered territory the benefits which have already been realized in Bengal from the practical operation of those principles. The Permanent Settlement concluded in the Bengal Province has notoriously been attended with the happiest success, and the flourishing state of these provinces must, we think, be ascribed in an eminent degree to that wise and salutary measure. We consider it to be a point established that it is desirable to extend to the Ceded and Conquered territory the benefits of a permanent settlement wherever circumstances may admit of it, and the chief object of our present reference to you is to ascertain how far the present state of your district encourages an opinion that the ensuing Settlement can be declared perma-

nent, consistently with a proper regard to the rights of the landholders and tenantry, and to the interests and just expectations of Government.⁹

The local officers, in reply to the Commissioners, deprecated a permanent settlement as the country at that time was impoverished and depopulated. Almost all the early collectors deplore the depopulation of their districts and refer to extensive tracts of desolate waste lands. There is abundant evidence that this was the case. In Cawnpore, Mr. Welland, who was the first revenue officer appointed to the district, wrote: "The subjects in this part of the country are in the most abject poverty. Let the face of the country be examined and there will hardly be a manufacture found, or an individual in such circumstances as to afford the payment of a tax. The whole is one desolate waste, in which tyranny and oppression have hitherto universally prevailed."¹⁰ The Commissioners in their final report, dated April 13, 1808, decided that a permanent settlement would be unwise 'when the population was so limited compared to the extent of its area.' The Government of India, it seems, was determined to carry through the proposal at all events and hence the Commissioners preferred to resign their office 'rather than be the instruments of a measure, which their judgment founded on local obser-

⁹ *Selections from the Revenue Records of the North-Western Provinces, Allahabad*, 1873, p. 279. Letter dated September 7, 1807. Secretariat Library, Allahabad.

¹⁰ *Final Report of the Settlement of the Cawnpore District*, 1878. F. N. Wright, B.A., Settlement Officer, Government Press, Allahabad.

vation, could not approve.' The India Government appointed a new Board of Commissioners consisting of Mr. (afterwards Sir) Colebrooke and Mr. Dean in place of those who had resigned and expected that their report when complete would probably establish the expediency and sound policy of the measure beyond question.¹¹

The views of the Court of Directors on Permanent Settlement

The Court of Directors who had till then not received the detailed proceedings of the Commissioners, the copies originally sent being lost in one of the ships, in a letter to the Government, dated February 27, 1810, stated that it was not their intention to proceed unduly to the introduction of a permanent settlement in the Ceded and Conquered Districts "because it would be premature to fix in perpetuity the land rents of those countries at so early a stage of their connection with them, when their knowledge of the revenue actually derived from the zamindars and of their capability must be necessarily imperfect, and when the people are yet so little habituated to their Government."

The language of the Court of Directors after the receipt of the report of the Commissioners is more decided and they state in definite language their views against early measures for permanently settling both the

¹¹ This arrangement was brought to the notice of the Court of Directors in the Despatches of July 31, 1807, and September 15, 1808.

provinces. In their despatch they wrote that the proposed final Settlement of the revenue of these territories would be premature, supposing the arrangement otherwise to be completely unexceptionable; that it would be attended ultimately, with a long sacrifice of revenue; that they were by no means sufficiently acquainted, either with the resources of the country; or with the *rights and ancient custom of the different classes of landholders* to venture upon a step of so much importance, and in its nature irrevocable, and that whether the measure may be eligible at a future period and what modifications it may be prudent to apply to it, are questions, which will remain open for discussion.¹²

Lord Hastings' Views on the Rights of Ryots

The later history of the Permanent Settlement till the passing of the Regulation VII of 1822 may briefly be narrated. In 1811 the Settlements of Saharanpur, Cawnpore and Gorakhpur were submitted to the Court of Directors to be confirmed as Settlements in perpetuity. But a letter from the Court of Directors, dated November 27, 1814, disallowed it and conveyed specific instructions that leases should not be granted in the Ceded and Conquered Districts for a period exceeding five years. A proposal to make the Settlement of

¹² Italics are mine. The above quotation clearly points out that the Court of Directors were not prepared to mortgage the future growth of revenue for a temporary present gain. The change in the views reflects that the Bengal idea of a permanent settlement was gradually disappearing. This change in the views is not noticed by writers on land policy.

Farrukhabad permanent was also rejected in 1815 by the Court of Directors. The Board of Commissioners, however, insistently recommended that all villages, in which the collectors should be of opinion that the reclaimable land, not under cultivation, did not bear a greater proportion than one-fourth to the cultivated land, be declared permanently assessed.

The Marquis of Hastings did not approve of the policy of the Commissioners and wrote a strong minute denouncing permanent settlement on the lines of Bengal *which entirely ignored the rights of the peasantry*. "Never," he remarked, "was there any measure conceived in a purer spirit of generous humanity and disinterested justice than the plan for the Permanent Settlement in the Lower Provinces. It was worthy of the zeal of Lord Cornwallis. Yet this truly benevolent purpose, fashioned with great care and deliberation, has to our painful knowledge, subjected the whole of the people through these provinces to the most grievous oppression—an oppression guaranteed by a pledge that we are unable to relieve sufferers. After such an example let us feel our way before we again enter into any similar engagement." Lord Hastings was in favour of a permanent settlement provided proper safeguards were enacted for the protection of the peasantry.

Holt Mackenzie's Minute

The publication of a brilliant minute by Mr. Holt Mackenzie, Secretary, Board of Revenue, put a stop to the question, although Messrs. Colebrooke, Adams,

and Fendall wrote minutes in favour of an immediate Permanent Settlement. Mr. Mackenzie insisted that no Settlement should be declared in perpetuity which did not give proper recognition to the customary sub-proprietary rights of the cultivating classes. It was, therefore, thought necessary that detailed enquiries should be instituted to give proper recognition to old customary rights which might be obliterated if the Settlements were to be made in a hurry. Regulation VII of 1822 was the result of Mr. Holt Mackenzie's minute.¹³

Supersession of Customary Rights

It was fortunate that the Permanent Settlement was not extended to these districts and the errors in Bengal were not repeated. It is important to remember, however, that permanent settlement was not rejected but was merely postponed. The early English officers were in full sympathy with the proposal to fix the revenue demand in perpetuity, but they postponed the idea until the population was more fully developed. Under a settled Government, they thought, large areas of land would be brought under cultivation and a settlement, after prosperity had set in would greatly increase the revenue demand of the Government. The most important result of the postponement was that future Settlements were made not with farmers of revenue but with the actual landlords. The early English administrators were

¹³ See *Selections from Revenue Records, N. W. P., Allahabad, 1818-20*. The *Selections* contains Mr. Mackenzie's minute and the minutes by Lord Hastings, Messrs. Colebrooke, Adams, and Fendall.

ignorant of the actual conditions prevalent in the country, and did much injustice to the actual landholders and peasant proprietors by entrusting the collection of revenue to contractors who offered to farm the revenue for them.¹⁴ In many parts of the province large areas were held in possession by proprietors under the designation of *Mukaddams*. The Special Commission appointed in 1821 for looking into the revenue conditions in Cawnpore district mentions the injury caused by the exclusion of a great many proprietors who till then had been in possession under the designation of *Mukaddams*, on an erroneous idea adopted by the European authorities that a person bearing that title could not be the proprietor. The conclusion at which they arrived was that the *Mukaddam* held a subordinate position to that of the proprietor, for whom he managed the estate, from whom he received a certain allowance of land or money for the performance of those duties and by whom he was removable for misconduct, but for no other reason; also, that the office was hereditary, but not transferable.¹⁵ The estates, rights and liabilities of these *Mukaddams* were entirely obliterated in the early Settlements. The Permanent Settlement in the provinces of Bengal, Bihar, Orissa and Benares also ignored sub-

¹⁴ Messrs. Cox and Tucker writing about Allahabad remarked that *the first Settlement was in a great measure fictitious; and the district was let out in farm to three or four individuals*. Similar was the case with other districts. Report of Cox and Tucker, April 13, 1808. See the *Selections from Revenue Records*, N. W. P., 1818-20, page 18, Allahabad.

¹⁵ *Final Report of the Settlement of the Cawnpore District* by F. N. Wright, B.A., I.C.S., Settlement Officer, 1878.

proprietary rights of the peasantry, as by one sweeping enactment it left the zamindar to make his settlement with them as he might choose or require.

The suppression of all village rights whether of property or occupancy disturbed the balance of economic life in the villages and is to some extent responsible for the none too amiable relationship between the tenants and landlords that we find in our own times. In subsequent years whenever the Government attempted to restore even a part of the suppressed rights to the tenants the zamindars strongly opposed it. The whole history of tenancy legislation in the United Provinces consists of a series of compromise between the conflicting interests of the zamindars and tenants.

Colonel Baird Smith's Report, 1861

After the suppression of the Mutiny, the old question of permanent versus temporary Settlement was again raised, the former having a warm supporter in Colonel Baird Smith.¹⁶ The famine of 1860 was the severest famine that had visited the people of these provinces since the famine of 1837. It affected an area of 25,000 square miles, and a population of 13 millions. The famine is said to have been severe only between Delhi and Agra. More land fell out of cultivation. Arrears of land revenue accumulated. Then in the rainy season of 1861 cholera and pestilence did much havoc. An inquiry into this famine was conducted by Colonel Baird Smith. The expression of

¹⁶ This account applies equally to Oudh.

public opinion, whether in press or in the reports of its officers, was in favour of permanent settlement. It was no time to talk of larger revenue. This feeling was echoed in Calcutta and is embodied in the exhaustive reports submitted by Colonel Baird Smith who recommended a permanent settlement as a protection against the worst effects of future famines, and as a means of increasing national revenue and prosperity. He remarked: "The good which has been done by partial action on sound principles is both a justification and an encouragement to further advances; and entertaining the most earnest conviction that state interests and popular interests will be alike strengthened in an increasing ratio by the step, the first, and, I believe the most important remedial measure I have respectfully to submit for consideration, is the expediency of fixing for ever the public demand on the land".¹⁷

The press also supported the extension of the Permanent Settlement. Among non-officials the policy of limiting the State demand was highly popular.¹⁸ Above all, the stamp of highest authority was given to this policy by the celebrated Resolution of 1861, which Lord Canning sent from his Council Chamber on the eve of his leaving India. He expressed opinions on two important subjects: the one was "the sale of waste lands in perpetuity, discharged from all prospective demands on account of land revenue;" and the

¹⁷ See the *Memorandum on Revision of Land Revenue Settlements in the N. W. P.*, 1860-70 by A. Colvin, I.C.S., Calcutta, 1872.

¹⁸ Ibid.

other was: "the permission to redeem the existing land revenue by the immediate payment of one sum equal in value to the revenue redeemed." All this was the result of the Mutiny. To restore confidence was the principal object. But this was soon forgotten as confidence and prosperity returned and doubt and distrust were set aside. With prosperity there came a larger demand for revenue and the system of Permanent Settlement was attacked both in the press and the Council.

Sir William Muir's Minute, 1861

Immediately after the publication of the Resolution the highest revenue authority in the province, the Board of Revenue, consisting of Messrs. Muir and Money, recorded their opinion in favour of a permanent settlement. Sir William Muir, then Senior Member of the Board of Revenue, and afterwards Lieutenant-Governor of the Province, summed up the benefits of a permanent settlement under six heads:—

- (1) Saving of the expenditure of periodical Settlement.
- (2) Deliverance of the people from the vexations of re-settlements.
- (3) Freedom from depreciation of estates at the close of each temporary settlement.
- (4) Prosperity arising from increased incentive to improvement and expenditure of capital.
- (5) Greatly increased value of landed property.

(6) Content and satisfaction among the people.¹⁹

Similarly Mr. Money, the Junior Member of the Board of Revenue, remarked:—

The policy of removing the bar to improvement, which is now presented by the uncertainty of Government demand, is obvious, and the arguments which have been adduced in favour of a permanent settlement appear to be unanswerable. I would recommend that the land revenue demand of each district should be declared permanent on the completion of the existing Settlement now in progress or impending.²⁰

Sir George Edmonstone Recommended Permanent Settlement

Agreeing with these opinions, Sir George Edmonstone, the then Lieutenant-Governor of the North-Western Provinces, recommended the conclusion of a permanent settlement in a long and careful minute. The wealth of the agricultural classes, he observed, would be increased. The prosperity of the country and the strength of the community would be augmented. Land would command a much higher price. The prospective loss which the Government would incur by relinquishing its share of the profits, arising from extended cultivation and improved productiveness, would be partly, if not wholly, compensated by the indirect returns which

¹⁹ Minute by Sir William Muir, Senior Member, Board of Revenue, December 15, 1861. See *Official Papers regarding the Permanent Settlement of the N. W. P.*, Allahabad, 1869, p. 29.

²⁰ Minute by Mr. R. Money, Junior Member of the Sudder Board of Revenue, December 21, 1861.

would be derived from the increased wealth and prosperity of the country at large.²¹

Sir John Lawrence Supported Permanent Settlement

Sir John Lawrence, who was then a Member of the Secretary of State's Council, was opposed to the policy of redemption, advocated by Lord Canning, but strongly supported the policy of a permanent settlement. He observed:—

I recommend a permanent settlement because I am persuaded that, however, much the country has of late years improved, its resources will be still more rapidly developed by the limitation of the Government demand. Such a measure will still further encourage the investment of money in land, and will be a greater security to the land revenue itself, which, in years of great calamity, occurring every now and then, has suffered largely, though the loss has been more or less of temporary character. It is on the contentment of the agriculturists, who form the real physical power in the country, that the security of British rule, to a large extent depends. If they are prosperous, the military force may be small, but not otherwise.²²

Sir Charles Wood's Despatch

These sentiments were cordially endorsed by Sir Charles Wood, the Secretary of State for India, in his memorable despatch of July 9, 1862. The Secretary of State negatived any general scheme for redemption

²¹ Minute by the Lieutenant-Governor, N. W. P., (Naini Tal) May 27, 1862.

²² Minute of Sir John Lawrence, July 5, 1862.

of the land revenue, but was willing to discuss the question of a permanent settlement. Paragraph 58 of the despatch ran as follows:—

After the most careful review of all these considerations, Her Majesty's Government are of opinion that the advantages which may reasonably be expected to accrue, not only to those immediately connected with land, but to community generally, are sufficiently great to justify them in incurring the risk of some prospective loss of land revenue in order to attain them, and that a settlement in perpetuity, in all districts in which the conditions absolutely required as preliminary to such a measure are, or may hereafter be, fulfilled, is a measure dictated by sound policy, and calculated to accelerate the development of the resources of India, and to ensure, in the highest degree, the welfare and contentment of all classes of Her Majesty's subjects in that country.²³

Sir John Lawrence, who had supported the policy of a permanent settlement as a Member of the Secretary of State's Council, became the Viceroy of India. In March 1864, he recorded a minute stating in general terms the manner in which he proposed to introduce a permanent settlement in these provinces.

On March 24, 1865 the Secretary of State for India, Sir Charles Wood, wrote his reply. He wrote that Her Majesty's Government were prepared to authorise an immediate Settlement in perpetuity, after revision, for all estates in which the actual cultivation amounted to

²³ Despatch of Sir Charles Wood, July 9, 1862. *Official Papers regarding Permanent Settlement*, N. W. P., Allahabad, 1869.

80 per cent of the cultivable area. In such cases the rule of limiting the Government demand to 50 per cent should not be adhered to. A Settlement in perpetuity might be made at 60 per cent of the present assets. Districts in which agriculture was in a backward condition, population scanty, and rents not fully developed were to be exempted from permanent settlement. Comparatively developed districts were to be permanently settled if proprietors accepted a demand assessed at 80 per cent.

Meanwhile, canal irrigation was being opened in these provinces. The value of land was increasing and rents were rising. On March 17, 1866, the Secretary of State for India, issued further instructions to the India Government with regard to the Permanent Settlement. He laid down:—

A rule might be laid down that no Permanent Settlement should be concluded for any estate, the assets of which would, when canal irrigation shall have been carried to the full extent at present contemplated, exceed, in the opinion of the officers, of the Settlement and Irrigation Department, the existing assets in a proportion exceeding 20 per cent.²⁴

Sir Stafford Northcote's Views

This decision to introduce Permanent Settlement was reaffirmed in a despatch of Sir Stafford Northcote, the Secretary of State for India, dated March 23, 1869.

²⁴ Revenue Despatch No. 17, paragraph 8. *Official Papers regarding Permanent Settlement*, N. W. P., Allahabad, 1869. India Office Library, London.

He laid down two rules to restrict permanent settlement in undeveloped tracts and districts. The rules were:—

First. No estate shall be permanently settled in which the actual cultivation amounts to less than 80 per cent of the cultivable or *Malguzari* area; and

Second. No Permanent Settlement shall be concluded for any estate to which canal irrigation is, in the opinion of the Governor-General in Council, likely to be extended within the next twenty years, and the existing assets of which would thereby be increased in proportion of 20 per cent.²⁵

Having settled the conditions on which a permanent settlement was to be granted, officers were at once sent to review the districts which could be permanently settled. Sir William Muir was appointed the Lieutenant-Governor of the North-West Provinces in 1868. He took an early opportunity of visiting the Meerut Division, chiefly with the view of observing upon the spot the manner in which the revision was being conducted. His attention was immediately arrested by the peculiar circumstances of Muzaffarnagar, Meerut, and Bulandshahr, where the rents were fast rising. His views regarding permanent settlement changed. He pointed out that 'the sacrifice of revenue under a permanent settlement would be gratuitous and indefensible,' and the authorities postponed the conferment of a permanent settlement. As the years passed, peace and prosperity increased and the desire to make a permanent

²⁵ Revenue Despatch No. 15, March 23, 1867. See *Official Papers regarding Permanent Settlement*, N. W. P. 1869.

settlement weakened. A third condition was accordingly recommended in addition to the two laid down in 1867 by Sir Stafford Northcote. In a Minute, dated December 14, 1869 the third condition is laid down as follows:—

I think, therefore, that a third condition for Permanent Settlement is thus shown to be quite necessary, namely, evidence that the standard of rent prevalent or the estimate of 'net produce' on which the assessments are made, is adequate; or (having due regard to soil, facilities for irrigation, and rates of dry and wet land) is not below the level of rent throughout the country at large.²⁶

This third condition practically amounted to this, that the Permanent Settlement should be postponed as long as the land continued to improve in value.

*Curzon-Dutt Controversy*²⁷

The final decision came in 1883. The Secretary of State for India in despatch No. 24, dated March 28, 1885 said: "I concur with your Excellency's Government that the policy laid down in 1862 should now be formally abandoned."

The controversy, however, was again revived in the time of Lord Curzon, when Mr. R. C. Dutt, formerly

²⁶ See *Official Papers regarding Permanent Settlements* N. W. P., 1869, Allahabad. India Office Library, London.

²⁷ The Government's land policy was summed up in the *Government of India Resolution*, 1902. Cmd. 1089, 1902. It is said to be an "open secret" that the Resolution was actually written by Lord Curzon. The Resolution is a "landmark" in the growth of land policy in India.

Acting Commissioner of Burdwan, addressed to Lord Curzon a series of *Open Letters* (subsequently published in the form of a book), concerning the land systems of the different provinces. In his letter upon land system in Bengal, Mr. R. C. Dutt stated that in consequence of the Permanent Settlement in that province the cultivators were more prosperous, more resourceful, and better able to help themselves in years of bad harvest than cultivators in any other part of India; that agricultural enterprise had been fostered, cultivation extended and private capital accumulated, which was devoted to useful industries, and the public works and institutions. Mr. Dutt also stated that India would not have witnessed those dreadful and desolating famines of the last quarter of the nineteenth century if the Permanent Settlement was extended throughout India.

These plausible allegations, as rightly pointed out by Lord Curzon in the Resolution (1902) were partly incorrect, considerably overemphasised and certainly not borne out by history. The prosperity of Bengal, as the Resolution pointed out, is due to its "exceptional advantages in fertility, in its comparative immunity from the vicissitudes of climate to which other parts in the country are liable, in its excellent means of communication, in its enjoyment of a practical monopoly of the production of jute, and in the general trade and enterprise which radiate from its capital city,"²⁸ and not due to the Permanent Settlement. Permanent

²⁸ *Government of India Resolution*. 1902, p. 5.

Settlement did not improve the condition of the peasantry. It was precisely because this was not the case and because, so far from being generously treated by the zamindars, the Bengal cultivator was rack-rented, impoverished, and oppressed, that the Government of India felt compelled to intervene on his behalf, and by the series of legislative measures that commenced with the Bengal Tenancy Act of 1859 and culminated in the Act of 1885, to place him in the position of greater security than he enjoyed before.

Finally, the evils of absenteeism, of management of estates by unsympathetic agents, of unhappy relations between landlords and tenants, and of the multiplication of intermediate tenure-holders, led Lord Curzon to remark that the Permanent Settlement which was not supported by the experience of any civilised country, and was not justified by the single great experiment that was made in India should not be upheld as public model. It is not, in fine, in the Permanent Settlement of Bengal that the ryot has found his salvation; it has been in the laws which have been passed by the Supreme Government to check its license and to moderate its abuses.

Abolition of the Permanent Settlement

It was well that the Permanent Settlement was not extended to this province. The time has come when the equity of the Permanent Settlement of Bengal is being challenged. In a Federal System of Finance Bengal can no more be allowed to be like a

pampered child in a joint family. There is no question of a breach of faith for after the lapse of a century and a quarter the original contract based on loyalty and necessity in troublous times has lost much of its meaning.²⁹

The majority of the members of the Bengal Land Commission (1940) have recommended the abolition of the Permanent Settlement.³⁰ The Commission hold the view that in the interests of the Province as a whole, the present land tenure system cannot remain unaltered. In fact, if present conditions continue, it may not be too much to say that the system will break down of its own accord. It is unsuited to modern conditions, and has brought about a situation in the Province, in which the welfare of agriculture is neglected, and a great proportion of the wealth from the land is appropriated by middlemen, most of whom have no connection with agriculture and have treated the land simply as a commercial investment. The majority of the members, therefore, have recommended that the defects in the present system can only be remedied if the State comes into direct relation with actual cultivators.

²⁹ See my *Indian Provincial Finance* for Provincial inequalities caused by Permanent Settlement. (Oxford University Press) 1941, p. 153.

³⁰ See the *Report of the Bengal Land Revenue Commission*, 1940, V. 1. Chapters 2 and 3.

CHAPTER III

PERMANENT SETTLEMENT OF BENARES

Chronology

1765. Emperor Shah Alam grants the Diwani (Fiscal Administration) of Bengal, Bihar and Orissa to the East India Company.

1772. The Dual Government.

1765-1769. The Company collects revenue through Indian agents.

1769-1772. English Supervisors appointed.

1772. The Company takes up Fiscal Administration.

1772-1786. The Company's management of revenue by English officers.

1786-1795. Lord Cornwallis' Provisional System.

1795. Permanent Settlement of Benares.¹

Early Oppressive Practices²

The administration of land revenue, ever since the acquisition of the Diwani (1765), had been the greatest difficulty of the Company and was regarded as the

¹ The old "Benares Province," which was permanently settled on May 27, 1795, is at present represented by the districts of 1. Benares, 2. Northern Part of Mirzapur, 3. Jaunpur, 4. Ghazipur, 5. Ballia.

² The Revenue administration of Bengal throws light on the land policy in the United Provinces, as these provinces were governed from Fort William (Calcutta).

chief source of its misgovernment. During the first four years (1765-69) of the Dual Government (1765-72) the actual administration remained in the hands of the Emperor's (Shah Alam) officers. During all these four years the "Black Collectors" ground down the peasantry, and the revenue-farmers divided their energies between concocting frauds upon the Government and devising illegal cesses to be wrung out of the artisans and cultivators."³

It was not until 1769 that the Company declared itself the Diwan of the province and appointed English supervisors for the collection of revenue. Unhappily during the first year of the supervisors' office the great famine of 1769-70, the effects of which were noticeable on the fiscal history of the province during the succeeding forty years, visited Bengal. Again, the internal administration had to be left in the hands of Indian revenue-farmers.

Warren Hastings took charge of the province on April 13, 1772. He abolished the intermediate machinery of revenue-farmers between the tax-payers and the supervisors and appointed English collectors (1772). This system also had hardly worked for two years when the old system of revenue farmers was again reverted to and the English collectors were recalled. The failure at direct realization of the land revenue on these two occasions shows that collection was easier under farming than under direct management.

³ Hunter, W. W., *The Annals of Rural Bengal* (Smith Elder and Co., London), 1897, p. 255.

The results of farming were disastrous to the peasantry. The revenue farmers backed by the authority of the Government, cared for nothing but realizing as much revenue as they could from the ryots. The ryots were required to pay excessively high rents and often cruel practices were adopted to enforce payment.

The authorities had nothing to do with the details as long as the public demand was satisfied. The demands were pitched very high. "For a long time hopeless deficit had been the normal condition of things in Bengal, and no country gentleman was sure of keeping out of jail unless he were an idiot or a minor."⁴

Lord Cornwallis in a despatch to the Court of Directors ascribed the causes of agrarian oppression in Bengal to the want of laws defining the nature and extent of the coercion which landholders and farmers were entitled to exercise over the ryots and under-tenants to enforce the payment of arrears.⁵

The Company demand upon each estate, was liable to annual or frequent variation at the discretion of the Government. The amount was fixed by the officers of the Company, usually it was ten-elevenths of the total amount realized, after deducting the expenses of collection.

In short, the revenue administration of the Company during 1765-66 was a complete failure. Neither Clive nor Warren Hastings could bring to bear upon the

⁴Hunter, op. cit., p. 273.

⁵Ramsay Muir, *The Making of British India*, (Manchester University) 1915, p. 189.

rural masses the administrative skill of the later generation of English administrators. "The realization of the revenue formed the collector's paramount duty, and on his success in this respect, rather than on the prosperity of the people, his reputation as an officer depended. The Council still acted to a certain extent as if Bengal were an estate which yielded a large rental, but involved none of the responsibilities of Government, and so regarded its rural administrators rather as the land-stewards of a private property, than as the channels for receiving and re-distributing a public revenue."⁶

Permanent Settlement of Benares

For a long time, even after the cessation of the province of Benares, 1775-1781, the settlement and collection of land-revenue was left to the Raja of Benares, who exercised the functions of a landlord combined with a degree of regal authority, which if the British did not acknowledge him by right to possess, they always allowed him to exercise.⁷

On the accession, however, of Raja Mahip Narain, in 1781, the Resident at Benares was required to exercise some control over the realization of land revenue. In 1787, Mr. Jonathan Duncan,⁸ the Resident, was

⁶ Hunter, op. cit., p. 269.

⁷ *Fifth Report of the Select Committee of the House of Commons on the Affairs of the East India Company*, July 28, 1812. The Report is given as an Appendix in Ascoli, F. D., *Revenue History of Bengal*, 1917, p. 189.

⁸ Jonathan Duncan (1756-1811), one of the most capable officers of the Company. In 1795, he was appointed Governor of Bombay.

asked to arrange for the formation of a new settlement and collection of revenue without the intervention of the Raja.⁹ The negotiations and preparatory measures for these purposes were conducted, under instructions from the Supreme Government, from the year 1787 to 1794, and ended in the conclusion of an agreement, dated October 27, 1794, whereby the Raja relinquished the administration of his zamindari into the hands of the British Government.¹⁰

In September 1788, the Resident at Benares, under the orders of the Governor-General, made the Settlement of revenue for the year 1788-89, under his own immediate control. The Resident completed the Settlement, by granting leases for the term of one year to certain revenue-farmers, and for five years to others, by which they bound themselves to pay a specific revenue to the Company's treasury. In September 1789, the Governor-General further directed the Resident to introduce in the province of Benares the principles of decennial Settlement and the revenue-farmers who had obtained leases for five years in September, 1788 were granted leases for the remaining period of five years; and in the districts where the leases were granted for one year only, and had consequently expired, fresh leases, fixing the revenue for the period of ten years, were granted to village zamindars and farmers of revenue. The Governor-General-in-

⁹ Regulation II of 1795.

¹⁰ Ascoli, *op. cit.*, p. 189.

Council on February 11, 1791, approved of the said quadrennial and decennial Settlements and ordered that the four years *pattas* (leases) be confirmed for a further period of 6 years so as to make it a ten years' Settlement, and that assurance be given to the *patta-holders*, that as long as they continue to pay their revenue stipulated in the last year of the increase, as specified in their several *pattas*, they shall not be liable to any further demand during their lives.¹¹

Later on, the Governor-General directed the Resident that the revenue stipulated to be paid on lands included in the quadrennial and decennial *pattas*, the conditions of which had been fulfilled, whether held by Zamindars, or revenue-farmers, be fixed in perpetuity, and that the persons who succeeded to such *pattas*, should not be liable to any additional payment beyond the highest annual *jama* (amount) specified in the *pattas*¹². Thus was introduced the Permanent Settlement of Benares on May 27, 1795.

Position of the Ryots

Its introduction was notified by a Proclamation. It is important to note, however, that the third clause of this Proclamation required the *patta-holders* (leaseholders) to preserve and maintain the rights of all the *pattidars*, (sharers in estates), ryots, and other intermediate tenure-holders. Ignorance of this clause has led the zamindars to claim that further

¹¹ Regulation I of 1795.

¹² Regulation I of 1795, Clause II.

occupancy rights could not accrue in such areas.¹³ It was hoped by the author of the Permanent Settlement that the landlords would learn by experience that their own interests and prosperity were bound up with the prosperity and well-being of the cultivating classes. Moreover, it must be remembered that the Government distinctly reserved its rights of interference in cases of exaction and oppression.¹⁴ It was declared: "We expressly reserve the right which clearly belongs to us, as sovereigns, of interposing our authority in making, from time to time, all such Regulations as may be necessary to prevent the ryots being improperly disturbed in their possession, or loaded with unwarrantable exactions."¹⁵

The landholders were required to pay the stipulated annual revenue punctually from the month of October to June each year, failing which their property real and personal was put to auction.¹⁶ They were required to grant receipts to the ryots for

¹³ The Permanent Settlement of the Benares Province differs in two respects from that of Bengal: (i) In Bengal there was no survey and no record of rights; in the United Provinces the districts were cadastrally surveyed, and a complete record of rights framed. (ii) In Bengal the Settlement was always made with some one landlord or zamindar and never with Village Communities. In the Benares Province the Settlement was made with the "village-zamindar" i.e., the landlord of joint-villages, some of them were *Bhaichara* Communities.

The presence of *Bhaichara* Communities in the Benares Province is often overlooked by authorities on land policy.

¹⁴ See also Regulation I of 1793. Article VII, Clause 6.

¹⁵ See *N. W. P. Rent Act*, by H. F. House, I.C.S., 1893.

¹⁶ Regulation II of 1795, Section XIV, Clause 2.

their payments, under the penalty of a fine of double the amount to be awarded to any ryot who should prove that he had been refused such receipt.¹⁷ Further, with a view to provide against sundry abuses and irregularities in the system of realizing revenue, the landholders were required to grant leases according to *bukumnamas* (Regulations) of June 25, and July 1, 1798. The *bukumnamas* fixed rents "as the ryots might willingly agree to pay."¹⁸

Mr. Duncan's intention was to settle with the cultivators themselves, but in pursuance of the policy followed by Lord Cornwallis the Settlement was made with 'village zamindars' as they were called, i.e., the landlord of joint-villages (some of them were Bhaichara Communities as described by Mr. J. Duncan, 1796).

The Settlement thus concluded consisted of engagements with zamindars for about eight-twelfths of the area; of leases to farmers for about three-twelfths and for the remaining one-twelfth the revenue farmers collected the revenue directly from the ryots.

Incidence of Rent and Revenue Demand

It is not easy to gauge with any accuracy the incidence of the revenue demand at the time when it was assessed; but it must have been very severe. Large areas at that time were lying waste. As population was sparse, there was competition for cultivators and not for land. With the great increase in cultivation and

¹⁷ Regulation II of 1795, Section XIV, Clause 5.

¹⁸ Regulation I of 1795, Sections 3 and 4.

the rise in the value of land this difficulty has disappeared today. The Settlement Officer (1887) quotes an example of an estate with a revenue demand of Rs. 304 against a rent-roll of Rs. 46,285. It was estimated in 1887 that the annual loss to the Government on account of the permanently-settled portions in the United Provinces, was between 15 to 20 lakhs of rupees.¹⁹ At the present time the loss would be much greater.

The present rental demand and the area held by permanent tenure-holders and fixed-rate tenants in various districts under the Permanent Settlement in the United Provinces is given in the following table:²⁰

1936-37

Districts	Permanent-Tenure holders		Fixed-Rate tenants	
	Area (Acres)	Rent (Rs.)	Area (Acres)	Rent (Rs.)
Benares	I 2,668	3 6,000	1,18,606	4,77,279
Mirzapur			1,16,450	4,08,406
Jaunpur			2,93,964	14,80,598
Ghazipur			70,198	2,69,062
Ballia			1,13,240	4,25,989
Azamgarh			767	3,614
Total	2,669	6,603	7,13,225	28,26,208

¹⁹ Regulation I of 1795, Ss. 3 and 4.

²⁰ *Revenue Administration Report, United Provinces, (1936-37)*, p. 64A.

Conclusion.

From the foregoing brief account of the Permanent Settlement of Benares two broad conclusions may be drawn. First, the immediate object of the Company was the realization of a large permanent amount of revenue. The incidental mistakes in the land policy, in the early years of the Company's rule, resulting in the partial expropriation of the peasantry and the supersession of their rights, are partly the results of this desire. The subsequent evil results in the working of the Permanent Settlement could not have been foreseen by the officers of the Company. And even if they were anticipated, perhaps it was in the interest of the Company to introduce the Permanent Settlement for its own immediate gain. Permanent Settlement improved the financial position and consequently strengthened the administrative machinery of the Company. This led to the subsequent success of the Company. The extension of the Permanent Settlement to the United Provinces was advocated exactly for similar reasons.

Secondly, the Company, even in the earliest stages of its administration, always kept the welfare of the peasantry as its ultimate aim. The Bengal Regulations which introduced the Permanent Settlement definitely laid down the welfare of the peasantry as the ultimate aim of the Company. Unfortunately, a difference of opinion is still existing as to whether it is possible to improve the economic status of the cultivators under the terms of the Permanent Settlement. Some critics assert that the Government has committed itself and any change in

the status of the peasantry would involve a violation of faith. But from the study of the Bengal Regulations there seems to be no logical reason why there should not be a fundamental alteration in the revenue laws set forth by the Company so as to improve the legal and economic status of the peasantry.

CHAPTER IV

EARLY SETTLEMENTS

Introductory

No problem connected with land policy is more important and difficult to understand than that of the principles of assessment. It has given rise to endless controversy. Indeed, the relations between the Government, the landlords, and cultivators are to a great extent determined by the principles of assessment. The village *jama* ultimately depends upon these principles. There might be one general principle for the whole *pargana* or there might be different principles (i.e., rates) for different kinds of soil; if the village is divided into different kinds of soil or *circle rates*, there would be a separate rate (or set of rates) for each kind of soil. Really, the *pargana* and village *jama* are always arrived at on the basis of the principles of assessment. Eventually, the incidence per acre of the revenue or rents depends upon them. In fine, it is upon the principles of assessment that the prosperity of cultivators depends.

These principles have been the subject of bitter criticism by economists and the public. Unfortunately those who criticize land policy often take a superficial view of the whole question and offer criticism which does not go to the root of the problem. No attempt, it

appears, has been made so far to analyse carefully the principles of assessment and to offer concrete suggestions that might help to remove difficulties of the cultivators. Once again the historical method of approach is highly essential, for without a proper knowledge of the various stages through which the principles of assessment have developed it is not possible either to follow the full implications of the present land policy or to give it a new orientation.

It is not possible here to trace in any details the development of the principles of assessment during the nineteenth century, but in order to put the recent changes in their proper perspective, it is necessary to refer to some of the 'landmarks' in the growth of land policy during that century. We have already given some idea of the principles of assessment followed in the Permanent settled areas of the province. But as in such areas the revenue demand was fixed in perpetuity no necessity was felt for a proper survey and record operations. In the temporarily settled areas the Settlement operations are based on a detailed survey and record operations. In this chapter the principles of assessment followed in the early years of the Company's rule till the First Regular Settlements were undertaken will be described. The chapter following will trace the principles of assessment from Thomason's *Directions for Revenue Officers* (1849) till modern times.

Condition before British Occupation

Prior to the cession the Ceded Districts underwent

constant change of Government. The Moghul Empire was then a mere shadow of a great name. It was completely disintegrated. Independent Nawabs had founded principalities in different parts. The Nawab of Farrukhabad was ruling the districts of Etah, Mainpuri, and northern half of Farrukhabad. Vast portions of territory were under the Nawab of Lucknow, and administered by his *nazims*. Security of life and property was absent. Mr. Welland, who was the first revenue officer appointed to the district of Cawnpore, wrote:—

The subjects in this part of the country are in the most abject poverty. Let the face of the country be examined and there will hardly be a manufacture found, or an individual in such circumstances as to afford the payment of a tax. The whole is one desolate waste, in which tyranny and oppression have hitherto universally prevailed.¹

The condition of the Conquered Districts, e.g., Agra and Muttra, was hardly better. The incessant troubles and the successive contests for supremacy between the Moghuls, Jats, and Mahrattas must have had evil effects. Ahmad Shah Durani sacked Muttra in 1757 carrying away with him great booty. In 1776 the Jats were finally driven from the districts by Najaf Khan. On his death in 1782 the Mahrattas under Sindhia gained possession over them. The British obtained the territory under the treaty of Arjengaun of December 30, 1803.

¹ *Final Report of the Settlement of the Cawnpore District* by F. N. Wright, 1878, p. 31.

Such quick changes in the sovereignty followed by tyranny of marauding expeditions could never have been conducive to stable farming.

Early English Methods of Assessment

The early years of British rule were far from a blessing. The prompt realization of a large revenue necessary for conducting wars in which the Company was engaged in that period was the chief concern of the mercantile rulers. There was no question of principles of assessment in such a period. The early Settlements were made in a rough and ready manner varying from three to five years. The collector sat in his office at the *sudder* station, attended by his right hand men the *Kanoongoes* by whom he was almost entirely guided. As each estate came up in succession, the brief record of former Settlements was read, and the fiscal register for the years immediately preceding the cession or conquest was inspected. The *Kanoongoes* were then asked who was the zamindar of the village. In reply the *Kanoongoes* sometimes named the actual owner of the estate, sometimes the headman of the village, sometimes a non-resident Sayyid, Jat, Thakur or Kayasth. Occasionally, a man was said to be the zamindar who had lost connection with the estate, though his name remained in the *Kanoongoe's* book. As the word of these officers was taken to be final without any further enquiry, the vast injustice ensuing from these Settlements can be easily imagined.

The Determination of the Amount of Revenue

The determination of the amount of revenue was based on the estimated gross assets of the estate. The revenue was assessed on the whole of such assets after a deduction of 10 per cent for the support of the engaging proprietor and 5 per cent for village expenses including the salary of the *patwari*. In calculating such assets, the *Sir* was rated at a nominal rent and rent-free holdings were excluded. Naturally, the greatest difficulty was experienced in ascertaining the true assets of the estate. On this point the assessing officer was dependent on estimates furnished by the *tabsildar*, who was paid a percentage of the amount realized, and was not, therefore, likely to err on the side of leniency. The estimate thus based on notoriously fraudulent and incomplete statements was a leap in the dark. Mistakes were common. Full revenue was difficult to realize, necessitating adjustment of the demand even during the currency of the short term leases. Mr. Dumbleton, collector of Cawnpore in a letter to the Secretary, Board of Revenue (unfortunately the date is not mentioned) described the evil results of assessments as follows:—

There is little doubt that this method of assessment stereotyped the severe rates imposed under the Nawab's government without the same elasticity in realizing them; and there is little doubt that either these Settlements were made in the most utter ignorance of the capability of any estate to pay them, except where by absolute importunity the old proprietors compelled the collectors to listen to their protests and to personal-

ly enquire into the condition of any individual estate. The most merciful assessment took into consideration the actual assets of four years and struck an average.²

Defects of Early Settlements

Great discontent was naturally excited by these summary Settlements among those whose rights were overridden or neglected. The right of occupancy was regarded as a sacred right of which few would deprive the cultivator. Under these sweeping changes the new zamindars had little respect for traditional customs and rights and their chief aim was to realize as much revenue as possible lest their newly got zamindari may not be put to auction for arrears of revenue. Their first Settlement entirely obliterated all customary rights whether of zamindari or occupancy. The aim of subsequent tenancy legislation has been to rehabilitate these rights so far as possible.

The aggrieved persons were asked to apply to Civil Courts to redress their grievances. The resort to Civil Courts was worse than useless. In the absence of any record of rights or other detailed information regarding the nature of land tenures the courts could do nothing to remedy the injustice which had been done. They made confusion worse confounded. The evils arising from the haste and ignorance of early Settlements were further aggravated by the measures adopted for the realization of the revenue. No record of any shares was

² *Final Settlement Report of the Cawnpore District* by F. N. Wright, Settlement Officer, 1878, p. 39.

kept besides those of the *lambardar* or actual engagers with Government. The amount which each co-sharer was bound to pay to the *lambardar* was not stated in Government records. Hence much difficulty arose in discovering the defaulters when arrears accrued. Under such circumstances the main expedient on which the collector relied was to prevent default by keeping watch-men over the crops till the revenue was realized. When this failed, the *lambardars* were imprisoned, and their personal property distrained. The next step was to put the whole estate to auction. Many of the sales were got up by the officers of the Government or by their friends, who themselves became purchasers at a merely nominal price.

Mr. Ravenscroft, collector of Cawnpore, sets forth in a very powerfully worded letter, dated February 21, 1816, the causes of the heavy transfers of landed property:—

If the cause of the public sales and of the desolation which covered the face of the country in the years 1215 and 1216 *fasli* be asked, I reply without hesitation that the old system upon which the collections were made in those days was a system of rack-rent, and oppression and ruin must ever attend it in any country where the resources of the State are drawn from the rents of land. In numerous instances the alleged balances did not probably stand against the parties who engaged and whose estates were sold. The *tahsildars* in a new country, invested with absolute power over the internal management of all estates within their jurisdiction, and spurred on by a percentage to

years of the early British rule was declared open to inquiry and annulment by the Commission, if equity required it. Every act of the revenue officers performed in the same period was similarly thrown open to revision. In Cawnpore much good was done by the Special Commission. Of 243 suits instituted to set aside the auction sales, 185 were decreed.

Mr. Holt Mackenzie's Minute

Mr. Holt Mackenzie, the Secretary to the Board of Revenue, wrote his famous Minute, dated July 1, 1819. This remarkable Minute is a mine of information and will pay the most careful study. Mr. Mackenzie, who was of studious habits and gifted with a keen and comprehensive intellect, contended that the only sure basis upon which revision could rest was the detailed measurement field by field of the whole area under Settlement, with a careful classification of various types of soils according to their varying productiveness. Great facilities were naturally offered during the course of such detailed measurement and investigation for ascertaining the different types of land tenures and the rights of occupancy in land. These views were fully accepted by the Government, and were embodied in the famous Regulation VII of 1822.⁵

Regulation VII of 1822

Regulation VII of 1822 marks the beginning of the

⁵ See *Selections from the Revenue Records, North-Western Provinces*, 1818-20. Calcutta, 1866. Secretariat Library, Allahabad. The *Selections* contain the *Minute*.

development of the revenue system of the North-Western Provinces. As noted elsewhere,⁶ the promise of a permanent settlement was held out soon after the acquisition of the Ceded and Conquered Districts but it became clear that no Settlement could be made in perpetuity which did not give legal recognition to the sub-proprietary rights of the cultivating classes. It was, therefore, necessary that detailed inquiries should be instituted respecting the various forms of tenures actually recognized in the country. It was with the object of organising these enquiries that Regulation VII of 1822 was passed.

The Regulation laid down the principles according to which the Settlement of the land revenue should be made in the Ceded and Conquered Districts. It, for the first time, definitely recognized, defined, settled, and recorded the rights, interests, privileges and obligations of various classes and persons possessing an interest in the land, or in the rent or produce thereof.

Provisions were made, in the case of estates held in *pattidari* or *bhaiachara* tenure, for the protection of sharers who had not been admitted to engagements with Government against the encroachments of the lambar-dars. The existing Settlement was extended for a further period of five years.⁷

to receive *malikana* (proprietor's share) not less than five and not more than ten per cent of the Government jama (revenue).⁸ The revision of the Settlement was to be made village by village and *mahal* by *mahal*.⁹ The assessment to be demanded on the revision of the Settlement was to be fixed with reference to the produce and quality of land.¹⁰ Herein was laid down a definite principle for the assessment of the land revenue in future. It was the duty of the collector to prepare a *record of rights*, in every village or estate before settling the land revenue it was to pay. Section IX of the Regulation laid precise conditions for the preparation of a record of rights on the occasion of making or revising a Settlement. The record of rights was to contain the fullest information regarding various types of land tenures, local customs, and the interests, rights and liabilities of different persons and bodies possessing interest in land. It definitely recognized the rights of village communities. The village communities employed in common the village artisans and functionaries, maintained the irrigation channels and arranged for the construction of works of public utility. Their revenue was derived from each coparcener in the village. The early revenue officers had neglected the existence of these communities and settled the revenue with a landlord. Regulation VII marks the beginning of the

⁸ Regulation VII of 1822, Section V, Clause 2.

⁹ Regulation VII of 1822, Section V, Clause 2.

¹⁰ Regulation VII of 1822, Section VII, Clause 2.

official recognition of those village communities and their rights.¹¹ Thus in villages where these bodies had preserved their constitution and had not been swept away by the neglect and sweeping enactments of the early times, a *sub-settlement*, (*mufassal* Settlement was the term used in Regulation VII of 1822) was made, which fixed what the village was to pay to the landlord.¹²

Principle of Joint and Several Responsibility. Creation of Lambardars

In cases where the village was possessed jointly by two or more persons the revenue officers were instructed to make a joint Settlement with the entire body as a jointly and severally responsible unit. When the joint Settlement was made it was open to the body to appoint an agent (*the lambardar*) to undertake the management of the *mahal* as *sudder malguzar* (landlord-in-chief)¹³ It was also enacted that lands separately owned and occupied though held in one *mahal*, may be separately settled (perfect partition of estates).¹⁴ Thus some of the main principles of the modern Settlement operations and assessment were laid down in Regulation VII of 1822.

The Regulation, however, could not be efficiently worked because there were vital defects in the new system arising chiefly from the want of a personal ex-

¹¹ Regulation VII of 1822, Section IX, Clause 1.

¹² Regulation VII of 1822, Section X, Clause 2.

¹³ Regulation VII of 1822, Section X, Clause 3.

¹⁴ Regulation VII of 1822, Section X, Clause 9.

perience in the civilians of the duties of a subordinate revenue officer. Too much detail was required on all points. In determining the revenue broad principles were neglected in the intricacies of a laborious calculation. Arbitrary rates were applied to arbitrary classification of soil. There was only one Board of Revenue at Calcutta, too far from the scene of operations, to be of any use as a directing authority in the work. The revision went on slowly, 10 or 20 villages were supposed to provide enough work for a whole year. In Aligarh district only 127 villages were settled in seven years, the average rate being nineteen per annum. When 10 years had elapsed since the promulgation of Regulation VII of 1822, it was calculated that 60 more years would be required to complete the work in many districts. The system, in short, though admirable in theory, had broken down in actual practice.¹⁵

Regulation IX of 1833. Conference of Revenue Officers, 1833

The question of finding out a practical scheme of assessment was discussed at a Conference held at Allahabad over which Lord William Bentinck presided; and the result was the passing of Regulation IX of 1833. It was an amending law, it simplified the method of assessment and made it more practical and easy. The effects of the law may be summed up thus:—

- (i) It was not necessary that disputed claims

¹⁵ Morrison, Sir Theodore. *The Industrial Organization of an Indian Province*, (John Murray, London), 1906, p. 29.

of all kinds and of any standing should be adjudicated at the time of Settlement. The majority of judicial cases were transferred from the Settlement Officer's court.

- (ii) The tedious estimates of the quantity and value of actual produce were dispensed with and the system of average rent and revenue rates for different classes of soil was introduced.
- (iii) The Patwari's annual papers were put on a new and wholly different footing. The important addition of a field map (*Shajra*) was made to *Khasra* for registering private rights.
- (iv) Indian Deputy Collectors were appointed to help in assessment.
- (v) The period of Settlement was extended to 30 years.
- (vi) The State demand was reduced to 66 per cent of the net assets.

As a result of the Regulation IX of 1833, the Western Board of Revenue was created with two members. The Junior Member, Robert Mertins Bird, directed the task of Settlement operations. The first regular Settlement of the North-West Provinces (excepting Dehradun and parts of Bundelkhand) was made between 1833 and 1844 for a term of 30 years.

The standard of assessment was two-thirds of the net assets, that is, two-thirds of the gross rental of lands

cultivated by tenants. A like proportion of the net profits of the land cultivated by the landlord was also demanded.

The procedure followed by Bird consisted of five stages, viz:—

- (i) In the first stage a rough estimate of all the land included in the fiscal area was made.
- (ii) In the second a field map (*Shajra*) was prepared.
- (iii) The third consisted in making a professional survey showing the cultivated and the uncultivated land.
- (iv) The fourth process was the fixing of the land revenue for the entire fiscal area.
- (v) In the last stage the entire amount was apportioned among the villages contained within the area.

“We then proceeded,” said Mertins Bird, “to investigate the assessment of the Government land tax upon that tract, finding out, as best as we could from the previous payments, and from the statements of the people themselves, from the nature of the crop and the nature of the soil, and such various means as experience furnished to us, what might be considered a fair demand for the Government to lay upon it.”¹⁶

Bird's method of assessment had this weak point; it gave the widest latitude to the Settlement Officers, and created the greatest uncertainty regarding the liabili-

¹⁶ Quoted in *India in the Victorian Age* R. C. Dutt, I.C.S., p. 35.

ties of the agriculturist. No two Settlement Officers could form the same judgment on data which was so vague and the assessment made at one Settlement has departed from, and generally enhanced, at the next Settlement.¹⁷

In spite of this grave defect Bird's system marks an important stage in the evolution of the revenue system of the province. It considerably moderated the excessive and oppressive demand of the first thirty years of British rule. It gave the agriculturist a great relief from continuous harassment of short term leases by giving him a long term Settlement.

Conclusion

Two important questions, however, remain to be answered, viz:—(i) what was the proportion of the net income which went to the State? and (ii) what principles were followed in estimating that net income?

With regard to the first question the answer is easy. The proportion of the net income demanded by Government had been constantly decreasing. In the beginning the proprietors were given only a small portion of the rents collected by them, i.e., not more than 10 per cent. Regulation VII of 1822 fixed the State share at 83 per cent, and Regulation IX of 1833 at 66 per cent, while the Saharanpur Rules of 1855 reduced it to 50 per cent.

No doubt there was a gradual increase in the share of the assets surrendered to the proprietors, but the

¹⁷ See Dutt, op. cit., p. 35.

amount of revenue demanded from them was constantly being revised and usually enhanced. The fiscal history of the Ceded and Conquered Districts during the early part of British rule was one of constant change and much chaos prevailed. Take the case of the Muttra, Cawnpore and Aligarh districts. The Cawnpore district was ceded by the Oudh Government in 1802. The people at the time of cession were reported by Mr. Welland, the first collector, to be in a state of most abject poverty. At the time of cession Mr. Montgomery thought it was the object of the Nawab to show as high returns of revenue as possible in order "that the British Authorities might be amused with an exaggerated estimate of their acquisition."¹⁸ And yet the first Settlement made by the British revenue authorities was an advance on the exaggerated estimate given by the Nawab's rent-roll. The result was that the Settlement completely broke down a year after it was made, necessitating large remissions amounting to nearly one-sixth of the entire revenue of the district. This opened the door to a flood of chicanery, fraud, and deceit on the part of the Indian officials, and a large number of estates were sold for arrears of revenue.

The earlier Settlements of the district were based on the estimated rental value of each estate, and the revenue assessed was on the whole estate, after a deduction of 10 per cent for *malikana* and 5 per cent for village expenses. Large reductions were made in the second

¹⁸ *Final Report on the Settlement of the Cawnpore District* by F. N. Wright, 1878, pp. 31-32.

and third Settlements; and an equitable distribution of revenue was made by Mr. Newnham in the fourth Settlement. This Settlement worked well till "the failure of the great indigo houses and the stoppage of the country cotton factories." The assessment at each successive Settlement was as follows:—

				Rs.
First	..	..	..	24,69,046
Second	..	..	..	23,86,090
Third	..	..	..	23,16,301
Fourth	..	..	..	23,20,548
Fifth	..	..	..	21,81,776

The district of Muttra formed part of the Conquered Districts obtained from Sindhia by the treaty of Arjengaum, dated December 30, 1803. The arrangements for the collection of the revenue for the first year were merely provisional. Under Regulation IX of 1805 it was ordered that there should be a triennial Settlement from June 1808 to May 1811, and then a quadrennial Settlement from June 1811 to May 1815, after which a permanent settlement was to be made for all lands in a sufficiently advanced state to allow it. As the question of Permanent Settlement was shelved, a quinquennial Settlement was made which continued till May, 1830. Under Regulation IX of 1833 Mr. Tyler made a fresh Settlement in 1842 which continued till the year 1872. Such, in brief is the progress of Settlement operations in the district. The revenue demand in the various Settlements is given

below:—

	Rs.
First triennial Settlement 1805-1808	10,13,258
Second triennial Settlement 1808-1811	10,76,304
Second triennial Settlement extended to 1815	
Third quadrennial Settlement 1815-1820	11,99,997
Fourth Settlement 1820-1842 ..	14,28,188 ¹⁹

Mr. W. H. Smith in his Settlement Report of Ali-garh district mentions that there was an enormous increase in revenue up to 1833; it rose from Rs. 19,29,878 in 1804-05 to Rs. 33,14,022 in 1815-16, a 71 per cent increase in twelve years.

In the case of Cawnpore it would appear that there was a decreased demand at each successive Settlement. But though the demand did decrease it still was excessive. Sir Theodore Morrison rightly lays down two infallible tests by which we can judge whether the early assessments were excessive or not, viz: (i) if the Government was unable to realize the demand; and (ii) if estates were constantly changing hands.²⁰ Judged by these two tests the early Settlements were certainly excessive. We have just seen that in the case of Cawn-

¹⁹ *Report of the Settlement of the Muttra District* by R. S. Whiteway, I.C.S., 1879, p. 53.

²⁰ See *Industrial Organisation of an Indian Province* by Sir Theodore Morrison, p. 34.

pore, in the very first year of the Settlement, the Government had to grant remissions up to one-sixth of the entire revenue of the district. In fact, the burden of revenue was too heavy and hence out of sheer necessity the revenue was decreased in Cawnpore. The revenue demands of the first triennial Settlement were rarely collected in full. In Aligarh, a sum of Rs. 24,57,253 was demanded for the last year of the Settlement, 1807-08, of which a sum of Rs. 19,34,485 was collected. Mr. Whiteway, the Settlement Officer of Muttra district in 1879, stated that 'the earlier Settlements professed no scientific accuracy; the assets assumed were roughly the highest the zamindars would agree to give; while in no year was the full amount of the demand collected.' The same story is told in other districts.

The severity of the assessment is also borne out by the changes in the ownership of the property. Mr. F. N. Wright examined this question with great care with regard to Cawnpore district from the first Settlement to the final Settlement of 1887. The statement given in para 192 of the Report showing the position of hereditary owners at successive periods is extremely significant and suggestive and may be put in an abstract here:—²¹

²¹ *Final Settlement Report of Cawnpore*, 1878, p. 36.

First Founding		At Cession 1802		At Settlement 1840		At Present Revision 1878	
Hereditary	Purchaser	Hereditary	Purchaser	Hereditary	Purchaser	Hereditary	Purchaser
100	..	84.3%	15.7%	60.0%	40.0%	37.4%	62.6%

The above statement clearly shows that the alienation of land belonging to old proprietors had been going on at an alarming speed with the result that in 1878 the percentage of area possessed by the purchasers was 62.6 per cent as compared with only 37.4 per cent possessed by hereditary classes. For Muttra district figures of sales of land are not available before the Settlement of Mr. Tyler under Regulation IX of 1833. The figures for sales of land for arrears of revenue from the time of Mr. Tyler's Settlement to Mr. Whiteway's Settlement 1879 show interesting developments. They are:—²²

Acres

- (i) During the first 12 years 64,467 (1838-50)
- (ii) During the next 7 years, up to Mutiny 2,408 (1850-57)
- (iii) From Mutiny to 1878 9,914 (1858-71)

It is difficult to form an accurate estimate of these transfers as the composition of the area of the districts was frequently changed.

²² *Muttra Settlement Report* by R. S. Whiteway, I.C.S., 1879, p. 80.

The Settlement Officer, however, stated that by 1878, 42 per cent of the area had been permanently transferred from persons who were proprietors at the time of British conquest while over one third of the area had been permanently transferred from those persons with whom the last Settlement was concluded.

Thus it will appear that the earliest Settlements must have caused great hardship to the proprietors as well as the tenants. The excessive revenue demand and the frequent changes in the ownership of property tended to create uncertainty and disturbed the equilibrium of rural economy. But it must be admitted that this almost chaotic condition was not entirely an outcome of the British administration of the times. It was partially a legacy of the maladministration of the country during the reign of the later Moghuls.

CHAPTER V

PRINCIPLES OF ASSESSMENT

Having considered the important aspects of land policy in the early years of the Company's rule, we now pass on to examine the principles of assessment as developed in the later half of the nineteenth century. The first half of the nineteenth century was a period of conquest and consolidation of British power. The main object of the East India Company was the realization of a large amount of revenue necessary for the wars in which the Company was engaged. There was little opportunity in such a disturbed period to place the land revenue system on sound theoretical principles. During the second half of the nineteenth century with the development of means of transportation and communication the economic unification of the country had begun. It was in this period that all the work of Survey and Settlement was completed and the land revenue demand was based on principles, which even today with slight modifications, form the basis of land assessment. Lord Curzon's famous Resolution of 1902 marks a landmark in the history of the land revenue policy. It was an emphatic assertion of the success of the land revenue policy. It, however, did not advocate any fundamental change in the principles of assessment.

Directions for Revenue Officers

Perhaps the most remarkable development in the land revenue policy that ever took place in these provinces was when James Thomason became the Lieutenant-Governor in 1843. He was easily one of the most distinguished revenue administrators of India. His *Directions for Revenue Officers*, published in August 1849, was the first Land Revenue Code compiled in India.¹ The "Directions" consisted of 195 paragraphs and distinctly laid down the procedure and principles on which the Settlements were to be conducted in Northern India.

According to the *Directions* the assessment of estates was not to be calculated by any fixed arithmetical process or by any fixed rule. Nor was the Government demand to bear a fixed proportion to the gross or net produce of the land. The reasons given were that the net produce for any given area could not be ascertained with accuracy. Moreover, it would also afford no certain guide to the produce of years to come, which would depend upon extension or contraction of cultivation, improvement, or deterioration in agriculture, opening of canals and development in the means of transport. Hence, the Settlement Officer was to proceed on the assumption that the "assessment operation was not one of arithmetical calculation, but of judgment and sound discretion."

¹ Thomason, J., *Directions for Revenue Officers in the North-Western Provinces*, (Calcutta 1850). (India Office Library, London).

Regarding the percentage demanded by the Government, paragraph 52 of the *Directions* laid down that the Government should not demand more than two-thirds of what may be expected to be the net produce to the proprietor, leaving one-third to the proprietor to cover his expenses of collection and profits. By "net produce" was meant in the case of cultivating proprietors, the surplus which the estate would yield, after deducting the expenses of cultivation, including the profits of stock and wages of labour, or the gross rentals on lands leased out to cultivators.

The Settlement Officer, to arrive at a correct net produce, was to take into consideration:—

(i) The return of the cultivated and cultivable area of the village, of irrigated land and the different kinds of soils; (ii) the experience of past Settlement Officers, past collectors and the price realized, if the village was brought to sale; (iii) the gross rentals of the village under Settlement as compared with other villages in the same tract; (iv) the character of the people, style of cultivation, possibility of improvements and the state of market for the produce; lastly, (v) the opinion of the *Pargana* Officers, and the estimate of the neighbouring Zamindars.

The Settlement Officer was also to pay attention to (i) *Sayer*, i.e., the profits of the Zamindar on account of the produce of trees, forests etc., (ii) *Sir* lands, and (iii) rent-free grants.

Finally, the Settlement Officer was warned against over-assessment as it discourages the people and demo-

realizes them by driving them to unworthy shifts and expedients, and it also prevents the accumulation of capital, and dries up the resources of the country. Viewing the question simply from a financial point of view an assessment which presses hard upon the resources of the people, is most injurious.²

These directions were generally everywhere adopted as a guide in the determination of the amount of assessment. But the actual process of assessment adopted in the Settlements of various districts, sometimes differed, according to the discretion of the Settlement Officer, from that recommended in the *Directions*.

Average Rent-rates

The first step towards the assessment of a district was the calculation of average rent-rates; that is, fair rents paid per acre of land. In the earlier Settlements they were derived through various methods according to the discretion of the Settlement Officer. The simplest plan was to divide the aggregate rental of the villages in a *pargana* by the aggregate area of the rent-paying land. The aggregate cash rental was ascertained from the rent-rolls and to them was added the estimated rents of lands cultivated by the proprietors themselves. The process was sometimes made more elaborate by classifying the village area into different kinds of soil blocks, clay, loam and sand, or homestead, middle and outlying lands. The general averages thus calculated for different

² See Thomason, *Directions for Revenue Officers*, paras 51 to 59.

circles were checked by comparisons with each other, with different rates in different parts of the same circle, and lastly, with the results of the Settlement Officer's personal inquiry from village to village. The manorial profits i.e., the profits of the Zamindar on account of the produce of trees, forest, etc. were added to the aggregate sum and the result was the new *jama*.³

Mr. Elliott's Method ⁴

As the Settlement of the province went on the process became more elaborate, till from the simple Saharanpur division of rental by area to give all-round rent-rates, it reached a very high degree of perfection at the hands of Mr. (afterwards Sir) C. A. Elliott in his Settlement of the Farrukhabad District. His method, which was adopted in all the later Settlements, was the foundation of the rules drawn up by the Board of Revenue in 1875. It was based primarily, on division of the village into natural soils, and secondarily, on division into artificial areas due to differences in manure and irrigation facilities which effect the productivity of the lands and consequently rent-rates.

Every village was divided into three classes of artificial soils or *bars*, *Gauhan*, *Manjha*, and *Barhet*, i.e.,

³ For an excellent historical account of the methods followed by the Settlement Officers see *Settlement Officers' Manual* compiled by Vincent Arthur Smith, I.C.S., 1881, Chapter IV. India Office Library.

⁴ *Final Report of the Settlement of Farrukhabad District* by H. F. Evans, I.C.S., 1875. It contains the Settlement Report of Chibramau by C. A. Elliott, I.C.S., Settlement Officer, dated July 11, 1868. The references are to Elliott's Report.

highly manured, slightly manured, and unmanured. The *gauhan* or *homestead* are the best lands in a village. They receive a greater care and attention than lands lying further off. They are mostly irrigated by wells and produce valuable crops, like potatoes, tobacco, and garden vegetables. The *manjha* or *middle* zone are slightly manured and irrigated and produce crops like wheat and gram. The *barhet* or *outlying lands* lie at a distance from the village site. They receive least attention, are mostly unmanured and depend upon rainfall for the dry crops. Combining all the factors, Mr. Elliott divided the soils into the following 13 classes in Chibramau (Farrukhabad) Settlement Report:—

1. Gauhan, 1st.
2. Gauhan, 2nd.
3. Gauhan, Unirrigated.
4. Irrigated, Dumat, 1st. (Manjha).
5. Irrigated Dumat, 2nd. (Barhet).
6. Irrigated Bhur, (Barhet).
7. Tarai, 1st.
8. Tarai, 2nd.
9. Dry Dumat, 1st. (Manjha).
10. Dry Dumat, 2nd. (Barhet).
11. Dry Bhur, 1st. (Manjha).
12. Dry Bhur, 2nd. (Barhet).
13. Dry Bhur, 3rd. (Slope).⁵

The method of assessment, based on the above soil classification, followed by Mr. Elliott was to divide the

⁵ *Chibramau Settlement Report* by C. A. Elliott, I.C.S., 1875, p. 15.

village first into different soil blocks; and then with the help of the existing rent-rolls, average "soil-rates" (by dividing the total rent paid by total soil area) were calculated. The next step in the assessment was to ascertain the actual rents paid for each class of soil in the pargana; abnormally low or high rents being excluded. To find out the correctness of the actual rates and also to see that the soil rates were not too high or too low, actual rates were compared with the soil rates. The rent-rates used in making the final jama were a little over or below the actual rents paid, they were the "soil" rates (sometimes called "standard"). The following table from the Farrukhabad Settlement Report will fully illustrate the method adopted:⁶

⁶ *Chibramau Settlement Report* by C. A. Elliott, I.C.S., p. 20.

6	Soil ⁷	Area in Bighas	Actual rent rates Rs. a. p.	Declared rental Rs.	Soil-rate Rs. a. p.	Assessment rental Rs.
1.	Gauhan 1st	2,040	5 14 6	12,049	6 0 0	12,240
2.	Gauhan 2nd	3,563	3 8 3	12,526	4 8 0	16,033
3.	Dry	146	2 5 0	388	3 0 0	438
4.	Irrigated Dumat 1st	8,799	3 0 0	26,682	4 0 0	33,196
5.	Irrigated Dumat 2nd	11,777	2 4 3	26,682	2 8 0	29,362
6.	Irrigated Bhur	8,945	2 1 6	18,729	2 8 0	22,562
7.	Tarai 1st	5,508	2 9 3	14,200	3 0 0	16,524
8.	Tarai 2nd	5,364	1 11 9	8,967	2 0 0	10,728
9.	Unirrigated Dumat 1st	6,494	1 12 3	11,466	2 0 0	12,988
10.	Unirrigated Dumat, 2nd	3,351	1 4 0	4,189	1 0 0	3,351
11.	Unirrigated Bhur 1st	16,580	1 6 3	23,957	1 8 0	24,870
12.	Unirrigated Bhur 2nd	16,348	1 2 0	18,391	1 0 0	16,348
13.	Unirrigated Bhur 3rd	9,075	0 13 0	7,373	0 12 0	6,856
Total		97,990	1 14 5	1,84,364	..	2,07,326

⁷ Chibranam Settlement Report, p. 20.

Defects in the First Regular Settlements

The first regular series of Settlements, started in 1853, were concluded in all districts by 1880. The method of assessment as described previously, was based on Thomason's *Directions* with minor modifications and alterations. The Settlement Reports are monument to the industry of English civilians. They are a mine of information regarding the early land policy of the Company.

The methods of assessment had then passed through many experimental stages since cession and conquest, to the final Settlement operations concluded about 1880. Starting with the summary Settlements of 1802, each subsequent method was an improvement over the past. The final Settlement operations, though they improved the machinery and mode of assessment, were still essentially defective from a practical point of view.⁸ A close study of various Settlement Reports reveals severity of assessments as the common feature in most districts. The Saharanpur limit of 50 per cent was nowhere a sufficient protection against over-assessment. No better proof of severe assessments can be adduced than the memorandum penned by Sir William Muir in March 1874, which was published in the *Indian Economist* of the June 30, 1874.⁹

⁸ A trenchant criticism of the First Regular Settlements is given in *Our Land Revenue Policy in Northern India* by Charles James Connell, I.C.S., 1876. (Thacker, Spink & Co., Calcutta).

⁹ A summary of the views, enunciated in the *Indian Economist*, is given in Mr. Colvin's *Memorandum of Revision of Settlements* in N. W. P., 1874, p. 73.

The main reason for over-assessment was due to the varying construction placed upon the word "assets". Some Settlement Officers pitched their *standard rates* at a high level as they discounted the coming rise of rent in expectation of a rise in the value of land and produce due to the progress of society.

Sir William remarked: "The assessment is so much dependent on the idiosyncrasy of the Settlement Officers that one will be found assessing at a severer standard than another, and even the same officer himself on somewhat different standards at different times."¹⁰

The assessments of Muzaffarnagar, Jalaun, Etawah, Farrukhabad and the highly precarious districts of Bundelkhand were most imperfectly settled and demanded a radical revision just after the Settlements were completed. This was admitted by Sir William Muir, one of the greatest revenue authorities in Northern India. He admitted the grave imperfections, nay it may almost be said, the complete collapse of the then existing system of assessments. It is to be regretted that some of the ablest and most diligent civilians after toiling for decades produced a revenue system unhappy at least in some cases in its results. Sir William Muir did not order complete revision, because he shrunk back appalled from the magnitude of the task.¹¹ Similarly, Mr. C. Bayley gave it as his opinion in the Council that he believed that he was within the mark when he said that in the three quarters of a cen-

¹⁰ Connell. Op. cit., p. 35.

¹¹ Connell. Op. cit., pp. 36-7.

When to these increases the enhancements of the earlier periods are added, in some cases, it would appear, the revenue was more than doubled.¹⁹ With the peace and security brought by British rule, the demand for land became keener and hence the enhancements of revenue were shifted, in a very large proportion, to cultivators. Thus the peasantry was the real sufferer because the increased revenue demand ultimately increased the rentals.

Land Revenue Legislation

While the Settlements were still in progress in some districts, the Government for the future guidance of Settlement Officers and for facilitating the task of revenue Courts, passed two important Revenue Acts. The North-Western Provinces Land Revenue Bill was introduced into the Imperial Legislative Council in the early part of 1872 and after being passed became the North-Western Provinces Land Revenue Act (XIX) of 1873. A similar Bill was introduced for Oudh at the close of the year 1872. There was some delay in the passing of that Bill and it was not till 1876 that the Bill became the Oudh Land Revenue Act (XVII) of 1876.

The North-Western Provinces Act was a consolidating measure. The Act consolidated in a clear and condensed form the land revenue legislation which so far was dependent on Regulation VII of 1822, supplemented by Regulation IX of 1833 and numerous other

¹⁹ See Chapter IV, pp. 67-71 for increases during 1802 to 1840.

Regulations and Acts over 40 in number. The Act was, therefore, of great practical importance.²⁰

The Act of 1873 codified the powers of all Revenue Officers; the procedure of Revenue Courts; the assessment and collection of the Land Revenue; the adjudication of rents at the time of Settlement by the Settlement Officer; the preparation and maintenance of the record of rights; the partition and union of estates; the administration of the Court of Wards, and the disposal of appeals from orders passed under the Act.²¹

The two important rules introduced by the Act were the concessions granted to ex-proprietary tenants and the power given to the Settlement Officer of fixing occupancy rents at the time of Settlement. The Settlement Officer was empowered to fix the rents of ex-proprietary tenants at a rate which was to be four annas in the rupee below the prevailing rate for land of similar quality with similar advantages held by tenants-at-will in the same circle. Similarly, in case of a dispute relating to the rent of occupancy tenants the Settlement Officer could fix his rent either by reference to the standard rent-rates fixed by the Board of Revenue or by the customary rents paid by tenants with similar advantages.

²⁰ See the speech of Mr. Miller in introducing the North-Western Provinces and Oudh Land Revenue Bill, 1899. *Proceedings of the Provincial Legislative Council*, November 22, 1899, (Lucknow).

²¹ V. *Statement of Objects and Reasons for the North-Western Provinces Land Revenue Bill, 1872* by J. F. D. Inglis, I.C.S. (Calcutta), January 6, 1873. India Office Library.

The Oudh Land Revenue Act was on the lines of the North-Western Provinces Act. The points of difference in the Oudh Act were mainly due to the different system of land tenures in the two provinces, but from our point of view are of little significance.

The North-Western Provinces Land Revenue Act of 1901

The Acts remained in force for more than 25 years. But towards the close of the century it was felt necessary to pass an Act to consolidate and unify the revenue systems of the two provinces which had been under the same Local Government for practically half a century. The North-Western Provinces and Oudh Land Revenue Bill was introduced in 1899 and became the North-Western Provinces Revenue Act III of 1901.

Among the important changes brought about by the Act, the following may be mentioned:—

(i) The two operations of the preparation of a record-of-rights and assessment were separated.

(ii) The Settlement Officer's powers of fixation of rent of exproprietary and occupancy tenants were enhanced. He could on his motion fix their rents at the time of Settlement operation.

(iii) Under the Act the collector, during the course of mutation proceedings, was required to record the rights of occupancy and ex-proprietary tenants and to fix their rents.

(iv) The Settlement Officer before assessment was required to submit a rent-rate report for sanction to the

Board of Revenue. On the receipt of the sanction he was to frame proposals of assessment which again he was to submit for the orders of the Board.

The object of the Act was to consolidate the law of the two provinces, to protect the interests of ex-proprietary and occupancy cultivators and to place the Settlement Officer under the guidance of the Board of Revenue at each stage of assessment so that the danger of assessment dependent upon the personal equation of the Settlement Officer may be minimized.

This Act has been amended by the United Provinces Land Revenue (Amendment-Settlement) Act (I) of 1929. But before we pass to the latter Act let us consider the constitutional position of Land Revenue.

Constitutional Position

Before the introduction of the Reforms of 1919 Land Revenue was a 'divided' head of revenue. But as the assessment and collection of land revenue were intimately connected with rural administration its transference to the provinces was an essential step in constitutional advancement. The authors of the Joint Report (1919), therefore, transferred it to the provinces. Under the Reforms it was a provincial "reserved" subject.

Land Revenue, before the Reforms, was levied by executive action. The methods and the pitch of assessment were not under any statutory control. To remove this objection, the Joint Select Committee of the Houses of Parliament in 1919 recommended that "the imposition of new burdens should be gradually brought more

within the purview of the Legislature". To give effect to this recommendation the United Provinces Government passed the Land Revenue (Amendment) Act of 1929 by which the process of the land revenue assessment is now regulated by statute. The Legislative Council is given full opportunity to give its advice in revision of assessments or resettlements.

Under the Government of India Act, 1935, the distinction between the reserved and transferred subjects has been abolished and land revenue is now a provincial subject under the charge of a minister responsible to the legislature. The Provincial Governments have full powers to deal with the following items included under land revenue:—

- (i) Assessment and collection of land revenue;
- (ii) Maintenance of land records; survey for revenue purposes and record of rights;
- (iii) Alienation of land revenue;
- (iv) Land tenures, including transfer and devolution of agricultural land; and
- (v) Relations of landlords and tenants and collection of rents.

The United Provinces Land Revenue (Amendment) Act of 1929

The main changes introduced by the Amendment Act are:—

- (i) The revenue assessed on a *mahal* shall ordinarily be forty per cent of the net assets. In no case shall it exceed forty-five per cent of the net assets.

(ii) The revenue of a *mahal* (except in some circumstances) shall not be enhanced by more than one-third of the expiring demand.

(iii) The enhanced demand, to avoid hardship, is to be distributed on a progressive basis after the fixing of the revenue.

(iv) When the Settlement Officer has completed the assessment, he shall publish the proposals. They shall be laid before the Board of Revenue and shall be subject to the sanction of the Local Government which may approve or modify them.

(v) The term of the Settlement has been extended to forty years.

(vi) The Legislative Council shall be given an opportunity of discussing the forecast, the assessment proposals and the final Settlement Report.

(vii) The Local Government before passing any orders must consider any resolution passed by the Council on a Settlement.

The Leading Principles of Assessment

It may perhaps be useful at this stage briefly to summarise the leading principles of assessment as described in the foregoing pages.²²

The two important terms used in the Settlement of Land Revenue are, *assessment* and *settlement*. By assessment is meant the process by which the revenue

²² In this summary, there may be a certain amount of repetition. But for the sake of clearness the leading principles have been put in at one place.

demand of a particular area, holding or village is calculated. By *settlement* is meant the contract by which an individual or a body of persons is singly or jointly responsible for the payment of land revenue assessed on a particular area. But *settlement* is often used in a broad sense and covers *all* the processes necessary for the settlement of land revenue, e.g., preparation of survey map, "record operations," "soil classifications," "record of rights" and "assessment proper." The results of these operations are published in a *Settlement Report*.

Settlement operations may broadly be divided into four important stages, viz: (i) the preparation of a survey map and record of rights; (ii) soil classification; (iii) assessment proper; and (iv) the presentation of the Settlement Report to the Board of Revenue and the Legislative Council.

The preparation of a survey map is the first step in Settlements. Usually each village has a separate map. The map is prepared by the *patwari* and some trained assistants deputed for the work. In some recent Settlements in the United Provinces photographic maps have been prepared by an aerial survey.²³

After the field map is ready a 'record of rights' is prepared. The records are: (1) a field-map (*Khasra*). In *Khasra* are recorded (a) the names of the landlords; (b) the names of the tenants who are holding the land; (c) the class to which each tenant belongs (e.g., occu-

²³ Vide. Blunt, Sir E. A. H., I.C.S., *Indian Civil Service*, (1937), p. 134.

pancy, statutory etc.); (d) the sources of irrigation; (e) the nature of the land; and (f) the crops that are raised on it. The second record is a register of holdings (*Kbatauni*). In this are recorded against the name of each tenant the serial number of the fields held by him, their areas and the annual rent. The last record (*Kbewat*) contains the names of proprietors, (under-proprietors, mortgages, etc.) the extent of their share in the property and the amount of revenue 'settled' with him.

These records are very important and even when the Settlement is over they are kept up-to-date and revised annually by the patwari.

The third stage is of soil classification. The bases of sub-division of soil are various, the most important divisions are based on:—(a) the nature of the soil e.g., loam, clay etc; (b) the nature of cropping; double-cropping (*dofasli*) or single-cropping (*ekfasli*); (c) the distance from the village (*gaubhan*, *manjha*, *barhet*, also called *palo*) i.e., village land, middle zone, and outer zone; and (d) means of irrigation i.e., irrigated by canals, wells or rainfall. The soil classification in each case depends upon local conditions. It is an important factor in the actual process of assessment.

The fourth stage is the most important one. We have already seen that the basis of assessment is no longer the gross but the *net produce*. The difference in Settlements in various provinces depends upon the meaning given to the words "net assets" and the method adopted to ascertain the net assets. In Northern India, the net

assets are usually taken to mean the rent, whether real or hypothetical (by which latter term is meant that portion of the gross produce which would be taken by the landlord if the land were equally rented).²⁴

The method of assessment followed in the United Provinces has been very well described by Sir Edward Blunt, who himself was a Settlement Officer. I take the liberty of quoting at length the following paragraph from his *Indian Civil Service*.

In the United Provinces, the first step is to assign to each soil a value, which is obtained by consideration of relevant data, for instance, the rents actually recorded as paid for each class of soil; crop-cutting experiments, which consist in measuring out exactly a given area, and ascertaining the yield of that area; a comparison of the value of the crops actually grown in each soil; and also general inquiries from the cultivators themselves. The second step is to arrange the villages in circles, which are homogeneous in respect of such characteristics as climate, communications and agricultural conditions. The recorded rent-rolls of the village in a circle are then examined, and all fraudulent, inadequate, excessive and other abnormal rents are excluded. The incidence of the remaining rents is then calculated for each class of soil, and a set of standard rates for each circle is worked out. These 'circle' rates are then compared for each village with the recorded rent-roll; in other words, the rent-roll as it is, is compared with

²⁴ Blunt, *Op. cit.*, p. 134.

the rent-roll as it ought to be. If, after making allowance for any local peculiarities, the two approximate, then the recorded rent-roll will be accepted as the basis of assessment. If the two diverge greatly without any ascertainable justification then the assessment is based on the valuation at circle rates. To the rent-roll or rental valuation, is added a valuation at circle rates of unrented lands, which usually consist of the landlord's own holding, from which a deduction, usually 25 per cent, is made to allow for the landlord's cost of production. To the total of these two figures are added any other assessable items, in the nature of manorial dues, and the total forms the net assets of the village.²⁵

After the Settlement operations are over the Settlement Officer writes out the Report. The Report is submitted to the Board of Revenue and the Legislative Council. The Legislative Council is given an opportunity to discuss it. Ordinarily, minor alterations are proposed which are usually adopted and the Report is accepted.²⁶

Summary and Conclusions

Having reviewed the fundamental aspects of the revenue policy during the course of a century and a quarter, it may be desirable, to summarise the main tendencies indicated in the foregoing pages.

(i) There has been a progressive reduction in the

²⁵ Blunt, *Op. cit.*, pp. 135-6.

²⁶ For the application of these principles see *Agra Settlement Report* by R. F. Mudie, I.C.S. (1930).

land revenue demand. The Saharanpur limit (1855) of 50 per cent of the net assets has uniformly been maintained. In fact, in some cases the limit has even been reduced to 40 per cent of the net assets.

(ii) The policy of long term Settlements has been adopted. The period of Settlement in the United Provinces has been extended from 30 to 40 years since 1929.

(iii) The principle of exempting or allowing reductions for agricultural improvements has universally been adopted.

(iv) Assessment made upon prospective assets has ceased.

(v) Large enhancement of revenue, to avoid hardships, are realized on a graduated basis over a number of years.

(vi) The policy of suspensions or remissions of revenue, to facilitate its adjustment to the variations of the seasons, has been resorted to.

It will appear that the policy of the Government during the later stages has been to prescribe moderation in revenue enhancements and greater elasticity in its collection. Historically, the revenue system of the Government owes its origin to the Moghul times. It was by slow degrees, and not without mistakes, that it could be given a reorientation agreeing with the changed economic conditions. Indeed, no tax in India is more difficult to work, without causing discontent and hardship, than land revenue. Lord Curzon has pointed out that logical completeness or simplicity cannot be expected in revenue systems born amid such surround-

ings, applied to such manifold conditions and to so heterogeneous a population. The principles of assessment must, therefore, depend upon considerations of practical expediency, rather than be regulated by fixed laws or shaped by arithmetical standards.

Assessments elude theoretical treatment. In no field of taxation is the personality of the tax officer more reflected than in land revenue. The true function of Government is to lay down broad and generous principles for the guidance of its officers, with becoming regard to the traditions of the province and the circumstances of the locality, and to prescribe moderation in enhancement and sympathy in collection. Above all it is its duty to exercise discrimination in the choice of the agents whom it employs for this most responsible of tasks. It is thus and thus alone that the principles of assessment which form the basis of land revenue can have a human touch in them. Let us hope that under Provincial Autonomy the incidence of land revenue and rentals will be lighter than at any previous stage of Indian history, and it will be realized with little hardship and discontent.

CHAPTER VI

ODDH LAND SETTLEMENT (1856-1868)

Introductory

We have now reviewed the main aspects of the land policy and revenue administration of the Agra province in the early years of the Company's rule. From the foregoing account several broad conclusions can be drawn. Firstly, the land policy, especially, with regard to the Permanent Settlement and principles of assessment, was mainly swayed by the desire of the Company to realize a large amount of stable revenue and to create a landed aristocracy which was of considerable help to the Company in the consolidation of its power and extension of its influence. Secondly, the revenue administration on account of lack of adequate information and knowledge on the part of the Company's servants, passed through several experimental stages including the revenue-farming system and an application of the Law of Sale for arrears of revenue. This profoundly affected the land system and land tenures of the province. Thirdly, as the several provinces came under British rule the principles of assessments were changed and the Settlement was made with the village communities.

The province of Oudh came under British control in 1856. It naturally escaped the experimental stages

in revenue Settlement which the Agra province went through. The difficulties of Oudh in land Settlement were of another kind. They arose on account of the Mutiny of 1857. Lord Dalhousie's aim was to settle the land revenue with the actual occupants of the land. His first summary Settlement was based on this plan. Meanwhile, the Mutiny rudely disturbed and indeed swept away the first summary Settlement of 1856. After the re-establishment of British authority in 1858, Lord Canning declared that the policy of the Government was to settle with the Talukdars. This changed policy gave rise to much difference of opinion. It restricted the future growth of the right of occupancy and adversely affected the economic position of the peasantry.

In this chapter Lord Dalhousie's Settlement (1856) will be described. This will be followed by an examination of the controversy which turned round Lord Canning's Proclamation. Finally, the terms of Oudh Compromise (1868) and their effects on the status of the peasantry will be examined.

*Fifteen Months of Dalhousie's Settlement (1856-57)*¹

The modern history of the Talukdars begins with the annexation of Oudh, February 13, 1856. The well-known letter of instructions of Lord Dalhousie,

¹The references to the Volume and the Paper are according to the *General Index of Parliamentary Papers* relating to the East Indies (1801-1907) published by the House of Commons (89: 1909). The Papers throughout this chapter are of House of Commons unless otherwise stated. The India Office Library, London, has been consulted for these Papers.

February 14, 1856, to Major-General Outram, the Resident at Lucknow, for his guidance in the administration of the province, gives an excellent account of the views of the Governor-General regarding the future Settlement of land revenue of the province. Whatever may be the defects of the political administration of Lord Dalhousie, a careful study of the letter shows that probably no Governor-General before him had such definite plans for the welfare of the peasantry as he had. Historians have not given him his due for this aspect of his administration. The following paragraphs show the vigorous spirit of the letter:

The settlement should be made village by village with the parties actually in possession, but without any recognition either formal or indirect of their proprietary rights. The term of the Settlement should be fixed for three years certain from the May 1, 1856, and a stipulation should be added that it will remain in force and binding on those entering into engagements beyond that period, until another Settlement, whether summary or regular, shall be made It must be borne in mind, as a leading principle that the desire and intention of Government is to deal with the actual occupants of the soil, that is, with village zamindars or with the proprietary coparcenaries, which are believed to exist in Oudh and not to suffer the interposition of middlemen as Talukdars, farmers of the revenue, and such like. The claims of these, if they have any tenable claims, may be more conveniently considered at a farther period, or brought judicially before the Courts competent to investigate

and decide upon them.²

Nothing can show better than the above lines that the intention of Lord Dalhousie was to settle with the actual proprietors and not with the Talukdars. Unfortunately, the first summary Settlement, carried out according to his instructions, lasted only for 15 months, (1856-1857) and meanwhile the Mutiny broke out.

After the annexation of Oudh, February 13, 1856, the task of forming a summary Settlement for a period of three years with the parties in actual possession without any recognition of proprietary right was taken in hand. Only those Talukdars who could prove very old title, as village proprietors to the estates they held, were allowed to retain their tenure, and even then they were settled with, not under the superior title of Talukdars, but as owners by prescriptive right of the villages.³

Yet it would be a mistake to conclude that the Talukdars were entirely excluded, for as a result of the Settlement (1856), we find that out of 23,543 villages included in the Talukas, 13,640 paying a revenue of Rs. 35,06,519 were settled with the Talukdars, and 9,903 villages paying Rs. 32,08,319, were settled with persons other than the Talukdars.⁴ Thus the Talukdars retained more than half the villages included in the Talukas.

² *Parliamentary Papers relating to Oudh*, Vol. 45, (1856), p. 260. The italics are mine.

³ *Parliamentary Papers relating to Oudh*, (House of Lords) Vol. 6. Paper 62, par. 330 (1859).

⁴ V. Irwin, H. C., I.C.S., *The Garden of India*, (1880), p. 180.

Lord Canning's Policy (1858)

The results of the first summary Settlement, which was still incomplete when the Mutiny broke out at Lucknow, May 30, 1857, were entirely undone by the Mutiny. In 1858, after the reoccupation of the province the plan for the future second summary Settlement was undertaken by Lord Canning.

Lord Canning fully realized that an early pacification of the province was not possible without the help of the great body of the Talukdars with strong forts and numerous retainers. Hence the second summary Settlement was based entirely on political considerations and the views of Lord Dalhousie were discarded.

Sir James Outram, the first Chief Commissioner of Oudh, in his memorandum to the Government of India, dated January 15, 1858, advocated support of the Talukdari system as the best method of quickly establishing British rule in Oudh. The following passages of the memorandum point out the future plan of Settlement:—

The system of Settlement with so-called village proprietors will not answer at present, if ever in Oudh. These men have not influence and weight enough to aid us in restoring order. The lands of men who have taken an active part against us should be largely confiscated, in order, amongst other reasons, to reward others in the manner most acceptable to a native. But I see no prospect of returning tranquillity except by having recourse for the next few years to the old Talukdari system. *The Talukdars have both power and influence to exercise either for or against us. The*

*village proprietors have neither.*⁵

The basis of the present land revenue Settlement in Oudh is based on the Proclamation issued by Lord Canning on March 15, 1858. By the Proclamation the proprietary right in the soil, with the exception of six persons named in it, was confiscated to the British Government. But the Proclamation also stated that the Governor-General wished to give the most liberal interpretation to it.

The Chief Commissioner was instructed that the Proclamation left it free to him to notify to any Talukdar, who was deserving of consideration, that if he made submission and supported the Government, the confiscation of his lands would not take effect, and that his claims to property, of which he might have been deprived upon the annexation of the province, would be reconsidered; and that in case of these having been resumed by him, he might retain them till the rehearing.⁶

This sympathetic and statesmanlike policy of Lord Canning was censured in the strongest terms by the Conservative Government of Lord Derby.⁷ In India, Sir John Strachey, the Chief Commissioner of Oudh, in moving the Oudh Estates Act (1869) said: "This Proclamation has altogether a strange history. When it was first issued there is not a doubt that it was intended as

⁵ *Parliamentary Papers relating to Oudh*, Vol. 18. Paper 110, (1859), p. 4. The italics are mine.

⁶ *Oudh Proclamation, Parliamentary Papers relating to Oudh*. Vol. 18, Paper 110, (1859), p. 7.

⁷ See *East India (Oudh) Parliamentary Papers*, Vol. 110, Paper 62, 1859. Despatch No. 1954.

a measure of coercion and punishment, and especially as a measure of punishment, to the rebellious Talukdars. It would have seemed incredible in March 1858, that this Proclamation should come to be looked upon by the Talukdars as the *Magna Charta* on which chief rights depend. In truth, however, this Proclamation, although it was never carried into effect according to the intention with which it was issued, turned out to be something very different from a menace. It became the means of rewarding and benefiting the very men, the Talukdars, whom Lord Canning had originally desired to punish and of placing them in a far better position than that which they had under the Native Government."⁸

Lord Canning's dignified explanation of his policy in his letter No. 26½ of June 17, 1858, to the Secret Committee,⁹ and No. 17A of July 4, 1858,¹⁰ to the Court of Directors upheld his honour. The Governor-General boldly declared: "No taunts or sarcasms, come from whatever quarter they may, will turn me from the path which I believe to be my public duty. . . . I believe that the policy has been, from the beginning, merciful without weakness and indulgent without compromise of the dignity of the Government."¹¹

⁸ *Proceedings of the Legislative Council of the Governor-General of India*, 1867, p. 287. Speech of Sir John Strachey, July 17, 1867.

⁹ *East India (Oudh Proclamation) Parliamentary Papers*, Vol. 18, Paper 110, 1859, pp. 1-9.

¹⁰ *East India (Oudh Proclamation) Parliamentary Papers*, Vol. 18, Paper 110, 1859, pp. 12-13.

¹¹ *East India (Oudh Proclamation) Parliamentary Papers*, Vol. 18, Paper 110, 1859, p. 2, par. 5.

The policy, however, was formally approved and confirmed by Queen Victoria's Proclamation of November 10, 1858 in the following words:—

Already in one province, with a view to stop the further effusion of blood and to hasten the pacification of our Indian dominions, our Viceroy and Governor-General has held out the expectation of pardon on certain terms, to the great majority of those who in the last unhappy disturbances, have been guilty of offences against our Government, and has declared the punishment which will be inflicted on those whose crimes place them beyond the reach of forgiveness. We approve and confirm the said act of our Viceroy and Governor-General.¹²

A careful study of the official correspondence of the period clearly shows that Lord Canning was fully justified in the policy which he followed. The pacification of the province soon after the heat of the Mutiny was the chief concern of the times and it could not have been accomplished without the co-operation, goodwill, and help of the influential body of the Talukdars. The Home Government's policy of coercion and chastisement would have been impolitic.

Second Summary Settlement, 1858

The actual task of the introduction of the Talukdari system of tenure was entrusted to Mr. (afterwards Sir Robert) Montgomery, the Chief Commissioner of Oudh. Sir Robert Montgomery in his valuable report

¹² *East India (Oudh Proclamation)* 1859, Vol. 18. Paper 110, p. 13.

on the administration of the province of Oudh (1859) observed:—

Whatever be the abstract idea of justice, whatever the principle we might have wished to see carried out regarding the tenure of the soil, the fact remains important and incontrovertible, that the superiority and influence of these Taluqdars forms a necessary element in the social constitution of the province.

The necessity of their existence once admitted, it behoves us to direct the influence of Taluqdars to the support of the Government, and not to render them discontented and hostile. Plain necessity points out this sequence of reassuring.¹³

The Chief Commissioner issued a circular letter (June 23, 1858) calling all the Talukdars to present themselves at Lucknow to receive the Talukdari grants. The extremely lenient way in which the circular letter was worded made some of the Talukdars suspicious of the intentions of the Government and some of them did not turn up. The majority of the Talukdars, however, did appear and the second summary Settlement was made for a period of 3 years from May 1, 1858, or until a detail Settlement could be carried out. The Settlement was, however, complete before the middle of 1859.

The result of the Settlement was that all the Talukdars who had held estates in 1856 under the first summary Settlement were reinstated.¹⁴ The following

¹³ *Parliamentary Papers* (House of Lords), Vol. 6. Paper 62, 1859.

¹⁴ See Irwin, *op. cit.*, p. 197.

statement furnished by Major L. Barrow, the Special Revenue Commissioner, shows the total distribution of the villages and the revenue among different persons¹⁵:—

		Villages	Revenue Demand
			Rs.
1. Talukdari	..	23,157	65,64,959
2. Zamindari	..	7,201	28,45,183
3. Pattidari	..	4,539	18,19,214
Total		34,897	1,12,29,356

Rights of Under-Proprietors

The new Settlement opened up a number of difficult questions, some of which are beyond the scope of this work. In Oudh, as in the Agra province, there were original proprietors who had lost their proprietary character before 1856 and their lands were merged into the Taluka. The question of *sub-settlement* with the expropriators, defining the nature and extent of the protection to which they were entitled in subordination to the Talukdar, was settled after much controversy by the Oudh Compromise and the passing of the Oudh Sub-settlement Act¹⁶ (XXVI) of 1866. The rights of the various classes of the under-proprietors will be described in Chapter X.

The most important question, however, which the

¹⁵ "Zamindari" villages were those in which the proprietorship rested undivided in the hands of either a single individual or a coparcenary community. "Pattidari" villages were those in which the lands were divided. They may be either of the type of "Perfect" or "Imperfect" pattidari.

¹⁶ See Chapter VIII.

Settlement Officers had to decide was the right of occupancy. Act X of 1859 had defined the right of occupancy for tenants of the province of Agra.¹⁷ In Oudh, the existence, nature, and extent of the right of occupancy were decided by the inconclusive enquiry of tenant rights of 1864-65, and were settled to the detriment of the tenants by the Oudh Compromise and the Oudh Rent Act of 1868 (XIX of 1868). These two measures vastly reduced their rights and lowered their economic status. In order to understand the Oudh Rent Act and the subsequent tenancy legislation in the province, it is necessary to refer briefly to the controversy which turned round Lord Canning's Proclamation and finally led to the settlement of the terms of the Oudh Compromise.

Canning-Wingfield Controversy

Sir Robert Montgomery was succeeded in May 1859, by Mr. (afterwards Sir Charles) Wingfield. On June 4, 1859, in order to declare the second summary Settlement final, he made a representation to the Governor-General, regarding the grant of *Sanads* to the Talukdars. Sir Charles remarked¹⁸:—

The Chief Commissioner feels no doubt of the complete success of the Talukdari Settlement. He has adopted measures to secure the village occupants from extortion, as directed in the Government letter of October 1858, but to establish the foundation of

¹⁷ See Chapter VII.

¹⁸ *Parliamentary Papers* (Oudh) 1861, p. 28, Vol. 46. Paper 426.

lasting contentment and prosperity, there must not be afforded the least ground for any expectation of change.

He concluded the letter by asking permission to draw up a list of the Talukdars to whom the *Sanads* should be granted.

On July 15, 1859 Sir Charles Wingfield wrote another letter with further suggestions regarding the summary Settlement and the persons affected thereby.¹⁹

These two letters were both answered by the Governor-General in the well-known letter of October 10, 1859, which forms part of the first Schedule to the Oudh Estates Act of 1869.²⁰ The most important part of the letter is contained in Sections 2 and 3 where the Governor-General declared that every Talukdar, with whom a summary Settlement had been made since the re-occupation of the province, had thereby acquired a permanent, hereditary, and transferable proprietary right in the Taluka for which he had engaged, including the perpetual privilege of engaging with the Government for the revenue of the Taluka. This right, however, was subject to any measure which the Government thought proper to take for the purpose of protecting the inferior zamindars and village occupants from extortion and of upholding their rights in the soil in subordination to the Talukdars.

Finally, the Governor-General ordered that as

¹⁹ *Parliamentary Papers* (Oudh) 1861, pp. 30-31. Vol. 46. Paper 426.

²⁰ *Parliamentary Papers* (Oudh) 1861, pp. 29-30, Vol. 46, Paper 426.

regards zamindars and others not being Talukdars, with whom a summary Settlement had been made, the orders conveyed in the limitation circular No. 31 of January 28, 1859 must be strictly observed. Opportunity must be allowed at the next Settlement to all disappointed claimants to bring forward their claims and all such claims must be heard and disposed of in the usual manner.²¹

Sir Charles Wingfield drew up a form of *Sanad*.²² He was opposed to the idea of sub-settlement and wished to leave the under-proprietors and other holders of subordinate interests in the Talukas at the mercy of the Talukdars. In reply to Lord Canning's letter of October 10, 1859 (referred to above) he wrote:—

To embody the substance of your third paragraph in more definite terms in the *Sanad* would, I am firmly persuaded, make matters worse than they were before. It would unsettle the minds of the inferior proprietors and encourage extravagant hopes of independence. It would alarm the Talukdars, and make them regard the gift of the proprietary rights as a mockery and a delusion. Moreover, it will place an engine in the hands of any future Chief Commissioner and Governor-General, adverse on principle to the Talukdars, which would enable them virtually to annul this Settlement and cut the Talukdars nearly as was done in 1856.

Regarding sub-settlement he observed:—

I have always maintained that such a sub-settle-

²¹ *Parliamentary Papers* (Oudh) 1861, pp. 29-30, Vol. 46. Paper 426.

²² *Parliamentary Papers relating to Oudh*, pp. 31-32. Vol. 46, Paper 426, 1861.

ment practically differs nothing from excluding the Talukdars altogether, and engaging with the village proprietors as was done in 1856.²³

Canning's views regarding Under-Proprietary Rights

To this the Governor-General replied in the letter of October 19, 1859.²⁴ This letter also forms part of and is given in full in the first Schedule to Act I of 1869. It approved generally of the form of Sanad prepared by the Chief Commissioner with the exception of the conditions for the protection of the subordinate rights in land. The letter is so important that it deserves full quotation:—

When a regular Settlement of the province is made, wherever it is found that Zamindars or other persons have held interest in the soil intermediate between the ryot and the Talukdar, the amount or proportion payable by the intermediate holder to the Talukdar and the net *jama* finally payable by the Talukdar to the Government, will be fixed and recorded after careful and detailed survey and inquiry into each case, and will remain unchanged during the currency of the Settlement, the Talukdar being, of course, free to improve his income from the value of his property by the reclamation of waste land and by other measure of which he will receive the full benefit at the end of the Settlement.

This being the position in which the Talukdars will be placed, they cannot, with any show of reason, complain if the *Government takes effectual steps to*

²³ *East India (Oudh Parliamentary Papers)*, 1861, p. 31. Vol. 46. Paper 426.

²⁴ *Ibid.*, pp. 32-33.

re-establish and maintain in subordination to them the former rights, as those existed in 1855, of other persons whose connection with the soil is in many cases more intimate and more ancient than theirs; and it is obvious that the only effectual protection which the government can extend to these inferior holders, is to define and record their rights and to limit the demand of the Talukdars as against such person during the currency of the Settlement to the amount fixed by the Government as the basis of its own revenue demand.

Whilst the Talukdari tenure, notwithstanding this drawback, is about to be recognized and re-established because it is consonant with the feelings and traditions of the whole people of Oudh, *the Zamindari tenure intermediate between the tenures of the Talukdar and the ryot is not a new creation*, and it is a tenure which in the opinion of the Governor-General, must be protected.

On October 26, 1859, Lord Canning held a Durbar at Lucknow and granted Sanads to the Taluqdars. These Sanads were granted in the spirit of the letter quoted above. They did not leave the under-proprietors and other holders of subordinate rights at the mercy of the Talukdars. The second summary Settlement was made final and perpetual with the grant of the Sanads.

Lord Halifax supports Canning

The British Parliament approved the action of the Viceroy regarding the preservation of the rights of the under-proprietors. In the despatch No. 33 of April 24, 1860, the Secretary of State, Sir Charles Wood

(Lord Halifax) supported the policy in the following words:—

You were quite right in rejecting at once the proposition of the Chief Commissioner that all under-tenures should be abandoned to the mercy of the Talukdars; and I observe from your Lordship's more recent proceedings, that the engagements into which you have entered with the Talukdars provide for the protection of the under-proprietors, and that when a regular Settlement is made, in all cases where there is an intermediate interest in the soil between the Talukdar and the ryot, the amount of proportion payable by the intermediate or subordinate holder to the Talukdar will be fixed and recorded after careful and detailed survey. I consider that on a careful adherence to this rule must now mainly depend the maintenance of the rights of the village communities.²⁵

The Controversy Ends, 1860

The manner in which subordinate rights in Talukas were to be determined was left to the Government. Here again difficulty was created. The Chief Commissioner, Sir Charles Wingfield, on November 24, 1859, issued a circular, declaring that the Proclamation confiscated all rights in every species of property, and those rights were conferred solely upon the persons upon whom the estates were conferred. This meant that though the Supreme Government wanted to preserve the subordinate rights in the Talukas, the Chief Commissioner by raising this technical difficulty intended

²⁵ *Parliamentary Papers relating to Oudh*, 1861, pp. 40-44, Vol. 46, Paper 426.

to annihilate them. The Government of India, therefore, ordered that all such subordinate holders, unless specially deserving of punishment for persistent rebellion, should be restored to the rights they possessed before the rebellion, whether the parent estate was ancestral, acquired, or conferred, and that every such holder should be maintained in his rights under the new grantee precisely, as if, having been confiscated, it had been settled with the hereditary Talukdar.

Further, the Government pointed out that it was a mistake to suppose that because an estate was then in the hands of the Talukdar, who had held under the British Government from the time of annexation to the time of the Mutiny, the decree of confiscation had not taken effect on it. The effect of the Proclamation on such an estate had been that it was then held under a direct title from the British Government, and that the relations which subsisted between its Talukdar and the holders under them were those which subsisted between them before annexation, modified or regulated by such regulations as the Government had imposed, not those which were re-established between them by the officers acting under the instructions issued at the time of annexation. Thus the order of the Government of India upheld the spirit of the Proclamation and conferred the rights upon the under-proprietors.

Limitation Period

Finally, the most serious question which raised a huge controversy was the period of Limitation within

which the subordinate and occupancy rights should be recognized. The Record of Rights' Circular laid down that persons who held subordinate rights in 1855, or just before the annexation of the province alone were entitled to be recognized as under-proprietors.²⁶ This Circular wrongly infringed the rights of the subordinate holders and was contrary to the wishes of the Secretary of State. Sir John Lawrence, in a letter of February 17, 1864, called for an explanation for fixing this date and added that the instructions of the Secretary of State had not been clearly comprehended. His Excellency quoted in the letter the despatch of the Secretary of State, Sir Charles Wood, (Lord Halifax), dated April 24, 1860, in which he suggested that "a period of 12 or even 20 years, before our rule, considering the state of misrule into which Oudh was plunged for some considerable period previous to annexation, would have been fair and reasonable."²⁷ The letter emphatically questioned the period thus:—

The Governor-General-in-Council has no desire whatever to trench on the just rights of the Talukdars founded on the Sanads they received from the British Government, but on the other hand, he is opposed to any rules whereby the rights of the subordinate proprietors or tenants of the soil shall be destroyed or even damaged. With reference, therefore, to the sub-proprietary rights and the limitations of enquiry to those enjoyed in 1855, His Excellency-in-Council wishes to

²⁶ *Parliamentary Papers relating to Oudh*, 1865, pp. 35-38, Appendix 1.

²⁷ *Oudh Parliamentary Papers*, 1865, p. 98. Vol. 40. Paper 62.

know upon what lease and under what authority the limitation in question has been prescribed to the Settlement Officers.²⁸

The Chief Commissioner could not give any satisfactory reply to this letter of Sir John Lawrence. In April 1864, Sir Charles Wingfield met Sir John Lawrence, and the Law Member of the Council, Mr. (afterwards Sir Henry) Maine at Cawnpore to decide the question of allowing the subordinate proprietors of land twelve years from the annexation of Oudh within which to prove their rights.²⁹ The Chief Commissioner, after consulting the Talukdars, on May 14, 1864 reported:—

I gather from what they said, that though they would consider themselves justified in demanding that the present rule be maintained as resting on a declaration having the force of law, they would offer no objection to its realization so as to extend the term of limitation for the hearing of claims to subordinate rights to 12 years computed back from the summary Settlement in 1858-59, as is the rule in regard to claims of equal interest and subject always to the condition that full proprietary rights are not thereby revised. That is to say, that where villages have been annexed to the Taluka within 12 years the persons who were in full proprietary possession will not be entitled to recover the equivalent of their former rights, viz., a sub-settlement at five per cent upon the Government demand, but only to the most favourable terms they enjoyed in any one year since the incorporation of

²⁸ *Oudh Parliamentary Papers*, 1865, p. 93. Vol. 40. Paper 62.

²⁹ *Oudh Parliamentary Papers*, 1865, p. 162. Vol. 40. Paper 62.

their lands within the Taluks.³⁰

The Governor-General reviewed the whole position relating to under-proprietary rights in his letter of June 20, 1864. He proposed to abolish the office of the Settlement Commissioner and to re-appoint a Financial Commissioner to conduct the Settlement operations. Sir Henry Davies was appointed the Financial Commissioner. The Secretary of State, Sir Charles Wood approved the extension of "the time at which the existence of subordinate rights was to be ascertained."

Oudh Compromise, 1866

The situation reached a breaking point when the Chief Commissioner in May 1864, declined to carry out the views of Lord Lawrence in regard to the right of occupancy. Sir Charles Wingfield left the office and Sir John (then Mr.) Strachey succeeded to the Chief Commissionership. Sir John Strachey took up the difficult question and on June 9, 1866, asked the permission of the Governor-General to take up the two independent questions of sub-settlements and occupancy rights together in order that they might be settled in a satisfactory manner both to the Government and the Talukdars. Having obtained the permission, he drew up plans for the final settlement of both the questions in consulta-

³⁰ *Oudh Parliamentary Papers*, 1865, p. 166. Vol. 40. Paper 62.

A slight change, however, was made in the year of limitation. On May 28, 1864, the Governor-General informed the Chief Commissioner that he considered, that the period of limitation should count from annexation and not from 1858-59, the date of the summary Settlement.

tion with the Financial Commissioner Sir Henry Davies, Colonel Barrow, Manu Singh and other influential Talukdars. The question was also discussed fully with Lord Lawrence at Simla. Sir John Strachey submitted, in a letter, dated August 20, 1866, subsequently published in the Gazette, the terms and conclusions arrived at Simla, generally known as the *Oudh Compromise*. The decisions consisted of two sets of rules—one relating to *Sub-settlements*³¹ and a second relating to the *Right of Occupancy*.³² It was made a condition precedent to the acceptance by the Talukdars of the terms of the Right of Occupancy, that the rule as to sub-settlement should be also, at the same time, accepted by the Government. On August 24, 1866,³³ the Governor-General-in-Council sanctioned the arrangements made by Sir John Strachey. The rules together with the correspondence regarding the subject were published in the Gazette of India, September 11, 1866.³⁴

It was, however, felt that legislation was necessary to provide legal validity to some of the provisions of the "Compromise." It was with this end in view that Sir William Muir prepared a Bill to give the force of law to the provisions relating to the rights of the under-proprietors. The Bill received the assent of the Gov-

³¹ *Supplement Gazette of India*, 1st April, 1866, pp. 391-92. Appendix A.

³² *Supplement Gazette of India*, 1st Sept., 1866, pp. 393-94. Appendix B.

³³ *Supplement Gazette of India*, 1st Sept., 1866, pp. 394-96.

³⁴ The various under-proprietary rights are discussed in Chapter X.

ernor-General on October 12, 1866 and became the Oudh Sub-Settlement Act (XXVI) of 1866.³⁵

The rules for determining the conditions under which persons possessing subordinate rights in the Talukas were entitled to obtain a Sub-Settlement, were made by the Chief Commissioner of Oudh, and sanctioned by the Governor-General-in-Council. They were published in the Gazette of India of September 1, 1866.³⁶ They were also re-published as a Schedule to the Act and were declared to have the force of law.³⁷

Summary and Conclusions

The important features of the Oudh land Settlement may briefly be summarised thus:—

(1) After the annexation of Oudh, Lord Dalhousie wanted to settle with the actual proprietors, Talukdars and village communities. He did not want to create Talukdars, wherever such persons did not exist.

(2) After the Mutiny, Lord Canning, mainly on account of political considerations, subordinated the interests of other proprietary bodies and the Settlement was largely carried on with the Talukdars.

(3) He, however, preserved the rights of such bodies, though in subordination to the Talukdars, through the right of a *sub-settlement*.

(4) Lord Lawrence and Lord Halifax, in spite of the vehement opposition of Sir Charles Wingfield, fixed

³⁵ For Sub-Settlement, see Chapter IX.

³⁶ See *The Supplement Gazette of India*, September 1, 1866, pp. 386-391. (Rights of Occupancy in Oudh).

³⁷ The question of Occupancy Rights is discussed in Chapter VIII.

the period of limitation for the accrual of the right of occupancy twelve years before annexation (1856). This was beneficial to the cultivating classes.

(5) Under the terms of the "Compromise" the future accrual of occupancy rights in Oudh was put to an end. This is one of the most important points of distinction between the tenancy laws of the provinces of Agra and Oudh.

From the above study one conclusion stands out prominent. The early English administrators, (of whom Warren Hastings, Cornwallis and Lord Hastings may be taken as leading examples) partly on account of ignorance of the actual conditions, partly on account of political considerations, but largely in order to realize a stable revenue for the Company, settled the land revenue with farmers of revenue and other intermediaries. Hence the interests of the mass of peasantry were sacrificed and ignored for the interests of the few.³⁸

But as British power was consolidated (and this reached its culminating point in the time of Lord Dalhousie) the spirit of land revenue policy was changed. We have already noticed that this changed policy, which laid more emphasis on the interests of the cultivating classes, breathes through the Minutes of Lord Dalhousie.

Lord Canning and Lord Lawrence clearly belong to the new class of administrators to whom the welfare

³⁸ See Chapters II, III, and IV.

of the peasantry was the most important concern. How far they were able to put their views in practice, was dependent upon the political conditions of the period. But for the occurrence of the Mutiny, the whole history of the land problems in Oudh would have been entirely different. The subsequent class struggle between the Talukdars and the peasantry is the outcome of the terms of the Compromise.

CHAPTER VII

TENANCY LEGISLATION IN AGRA PROVINCE

Introductory

In India, at most stages of its economic development, the Government has played an important role in the life of the country. It has endeavoured to control the working of the economic forces let loose on account of the transition of the country from a contract to competitive economy. This transition, accompanied by the growth of population, the extension of area under cultivation and the consequent rise in the value of land due to the progress of the society, gave rise to new problems with regard to tenant rights. But, until the middle of the nineteenth century, Government interference in land policy was mainly directed towards the realization of a stable revenue from land. The Government was not interested in maintaining right balance between the zamindars and tenants and seeing that the former performed their duties in lieu of the dues received by them. When, however, under the working of the economic forces, the landlords began to raise their rents and to eject the tenants, a new type of Governmental interference, unknown under Moghul rule, was felt necessary. The Government by legislative measures

attempted to prevent these evils by granting security of tenure, fair rents, and compensation for improvements to the cultivating classes. The Bengal Tenancy Act (X) of 1859 was the first legislative enactment in this direction. Later on, the Deccan Riots Commission and the Famine Commission of 1880 brought to light evils previously hidden. This necessitated further legislative interference to prevent exploitation and to check the evils of land alienation to non-cultivating classes.

In order to understand the rights and status of the tenants of this province, and the controversies involved in the policy pursued by the Government, it is necessary to describe briefly the history of tenancy legislation during the nineteenth century and to trace subsequent developments. It is thus only that we can point out how far the unsatisfactory features of the land policy have been due to the laws passed by the Government, or the way in which the provisions of the law have been misused, and how far they have been the inevitable outcome of the economic forces which were working in the country during all this period.

Act X of 1859 was the first serious legislative attempt to consolidate, amend, and improve the existing relations of the landlords and the tenants. It is necessary to analyse the provisions of this Act in some detail as all future tenancy legislation in this province was based on it. The Act was for many years the sole embodiment of the law of the landlord and the tenant for all the parts included in the Bengal Presidency.

Permanent Tenure-holders and Fixed-rate Tenants

The two most important issues which the Act clearly defined were those of the fixity of tenure, and fair rents, or in other words, the right of occupancy and the right of enhancement. Regarding the right of occupancy, the Act contained two sets of provisions: the first, applicable to the Permanently settled districts (e.g., the province of Benares); the second, applicable to both the Permanently and temporarily settled districts. There were in the province of Benares certain permanent tenure-holders or dependent Talukdars who at the time of the Permanent Settlement had held their tenures at a fixed rate and who were declared entitled to hold at such fixed rates. The Act declared that the rents of such dependent Talukdars or other persons possessing a permanent transferable interest in land between a proprietor of an estate and the ryot should not be liable to any enhancement.¹ Such tenants are found even today under Permanently settled areas and are called *Permanent Tenure-holders*.

It was not possible to provide for such tenure-holders without providing for certain other classes of tenants described as *Khudkasht*, *Kadimi* ryots i.e., resident and hereditary cultivators, having a prescriptive right of occupancy,² who were protected against enhancement of rent and whose position was like that of the dependent talukdar. Such tenants, the Act declared,

¹ Act X of 1859, S. 15, i.e., Permanent Tenure-holders.

² See Regulation XI of 1822, S. 32.

were also entitled to hold land at fixed rates and to receive *pattas* i.e., leases at those rates.³ The Act also extended the privilege to others by declaring that the proof of holding land at fixed rate for a period of twenty years before the commencement of a suit should be *prima facie* evidence of occupancy at that rent since the Permanent Settlement. Such tenants are found under Permanently settled areas and are called *Fixed-rate Tenants*.

The second set of provisions related to tenants-at-will. The accrual of occupancy rights in their case was dependent on the continuous cultivation of land for a period of twelve years.⁴ This rule was one of the most important provisions of the Act and governed the future relations of the landlords and tenants for more than sixty-five years in this province.

History of Occupancy Rights

Some account of the history of the recognition of occupancy rights under the early British rule may not be uninteresting here. In the state of affairs which preceded the British rule, it was the custom that the immediate cultivator of the soil, duly paying his rent, should not be dispossessed of the land he occupied. Nothing was to be gained by ousting him; the reverse was always the case. Population was sparse, land was plentiful, and it was in the interest of the zamindar to promote the cultivation of land to increase his own share.

³ Act X of 1859, S. 3, i.e., Fixed-rate tenants.

⁴ Act X of 1859, S. 6.

One of the earliest attempts to give an account of the occupancy rights of the cultivating class is given by Sir John Shore in his celebrated Minute. Sir John classified ryots into two classes, viz., *Kbudkasht* or those who cultivate the land where they reside and *Pabikasht* or those who cultivate the land of the village where they do not reside. *Pattas* to *Kbudkasht* ryots were given without any limitation of period. They acquired a right of possession by long occupancy and were not to be removed so long as they paid the rent from year to year. The right of occupancy did not authorise them to sell or mortgage their holdings. *Pabikasht* ryots held their lands upon a more indefinite tenure. *Pattas* to them were generally granted with a limitation in point of time.

The rights of occupancy were recognized in the Permanent Settlement Regulations in which the whole body of the ryots was divided into two classes—*Kbudkasht* and *Pabikasht* ryots, the former to occupy the land as long as they paid the stipulated rent.⁵ Regulation I of 1793 which created the rights of the landlords contained the important proviso: "It being the duty of the ruling power to protect all classes of people, more particularly those who from their situation are most helpless, the Governor-General-in-Council will, when he may deem it proper, enact such Regulations as he may think necessary for the protection and welfare of the dependent Talukdars, ryots and other cultivators of the

⁵ Regulation VIII of 1793, S. 52.

soil.⁶ These provisions were extended to the Ceded and Conquered Districts in 1803 and 1805.

Mr. Thomason recognized the right of occupancy in his 'Directions'. "Cultivators at fixed rates" (he said) "have a right to hold certain fields and cannot be ejected from them so long as they pay those rates. They have no right of property in the fields, and are not able to alienate them without the consent of the proprietors: but their sons, or their immediate heirs, residing with them in the village, would succeed on the same terms as themselves: nor are they competent of themselves to perform any act which is considered to indicate proprietary right, such as the digging of a well, the planting of a garden, or the location of a labourer. Their simple right is to till their fields themselves or to provide for the tillage and for these fields they pay certain rates, and are in some cases liable to be called upon to perform certain services, or to pay certain fees to the proprietors. So long as these conditions are fulfilled they cannot be ejected from their fields; and if an attempt is made to eject them, they have the remedy by summary suit before the collectors. If they fail to pay the rent legally demandable, the proprietor must sue them and on obtaining a decree in his favour, and failing, after it, to collect his dues, he may apply to the collector to eject them and to give him possession of the land. It is impossible to lay down any fixed rule defining what classes of cultivators are to be considered entitled to hold at fixed rates.

⁶ Regulation I of 1793, Article VIII, Clause 1.

They are known in the different parts of country by different names, as *Chupperbund*, *Kbhodkbast*, *Kudeemee*, *Mauroosee*, *Huqdar*, etc., all of which terms imply attachment to the soil or prescriptive right. Those who have no such right are commonly called *Kutchas* or *pykast* Those who have for a course of years occupied the same field at the same rate or equitable rates, are held to possess the right of continued occupancy, while those whose tenure is not similarly sanctioned are considered tenants-at-will."⁹

Thus it will be seen that the right of occupancy was asserted in a more or less complete form all over Northern India even before the passing of Act X of 1859. Act X was, however, the first legislative attempt to establish the principle that the undisturbed occupancy during a period of twelve years was sufficient for acquiring an immunity from arbitrary ejectment or enhancement of rent.

But the Act did not define a right of occupancy or provide for its inheritance or its transfer. The right of occupancy was compared with a *profit a prendre* and Justice Mahmud compared it with *emphyteusis*. As a general rule in the North-West Provinces a tenant's holding was not transferable without the zamindar's consent. The status of occupancy tenants was, therefore, variable and indefinite, and the courts charged with deciding such suits had to ascertain local custom in every case in which the tenants chose to plead it—customs

⁹ *Directions for Settlement Officers*, Ss. 128-130.

which in India are far from being fixed or easily ascertainable.¹⁰

Defects of the Act

The Act had not long been in force before frequent complaints began to be heard relating to some of its provisions. It gave rise to a vast amount of litigation and, far from providing, as was intended by its framers, a *Magna Charta* for tenants, it was in fact a *Magna Charta* for landlords.¹¹ It was undoubtedly a landlord's Act. The Act, as interpreted by the Judges of the Calcutta High Court in the case of *Thakooranee Dossee*, known as the great Rent Case, entirely changed the relative position of the ryot and the zamindar, taking up from the latter to give to the former a part of proprietorship in the land itself. The result was that the tenure of land, the institution which of all human institutions most affects the character of man, was, in all its features, most essentially changed.¹²

To take the occupancy right provisions. It was remarked with regard to the Act that in recognizing the acquisition of a right of occupancy by the holding of land for twelve years, it undoubtedly went far beyond the custom and common law of these provinces: while in another direction it did not go far enough. It gave

¹⁰ Per Mahmud, J., in *Gopal Pandey v. Parsotam*, 5 Allahabad Law Reports, p. 129.

¹¹ So described by C. Currie, I.C.S. See *Memorandum on Revision of Settlements*, page 112, by Sir A. Colvin, I.C.S., Secretariat Library, Allahabad.

¹² See *Calcutta Review*, 1865. *The Great Rent Case*, pp. 398-418. Imperial Library, Calcutta.

no more to men who had long held prescriptive rights, and who in many cases had a beneficial interest in the soil, than it did to the tenant-at-will, who had happened to retain the same field for a dozen of years; that is, it did not recognize the distinction between the rights possessed by tenants who had been the former proprietors of the land they cultivated and tenants who had acquired a right of occupancy by the mere lapse of time.¹³

The twelve years' rule for the accrual of occupancy rights was undoubtedly the most mischievous rule in the whole body of the Act. Occupancy rights in India, even in the most troublous times, had never their origin in a prescribed time limit. Every resident (*Kbudkash*) cultivator always acquired the right of occupancy by tilling the soil unless he abused the customary terms of tenancy prevalent in the village. Non-occupancy tenants were in most cases non-resident cultivators in the village. This artificial distinction between occupancy and non-occupancy tenants dependent upon the cultivation of land for a period of twelve years was a creation of the British Government.

The Act further made no mention and took no account of the various local tenures prevalent in the country. The holders of such interests, most of whom had paid large sums upon the creation of their tenures, were placed on the same level as the tenant who had

¹³ Speech of Mr. J. F. Inglis, I.C.S., *Proceedings of the Legislative Council, Supplement Gazette of India*, December 6, 1873, p. 1332. (Imperial Library, Calcutta).

acquired occupancy right by the mere lapse of time. 'The Act so far from settling the rights of such tenure-holders grievously unsettled them.' (Field, *Landholding*, Sec. 424).

The next serious defect in the Act was in connection with the provision regarding enhancement of rent. The Act clearly laid down the grounds for the enhancement of rent rates *independently of any rise in the Government revenue* which alone tradition recognized as the ground for the enhancement of the rent rates. In a memorandum on the question of Settlement, Mr. C. Currie, Judicial Commissioner in Oudh, remarked that under the customary law in force, prior to the promulgation of Act X of 1859, the tenants with rights of occupancy were entitled to hold lands at fixed rates; fixed, if not, in perpetuity, at any rate, for the currency of the Settlement. Act X of 1859 changed all this; and caused a complete revolution in the Rent Law of the province.

There was a considerable rise in the rent rates on account of the severity of the early Settlements which had led to the setting up of new zamindars who were less scrupulous in respecting caste feeling; they also had little regard for the generally acknowledged plea that the cultivator's rent should not be raised unless the revenue demand had been increased. Mr. F. N. Wright, Settlement Officer, Cawnpore, 1878, remarked, "The result of the last Settlement was to dispossess large numbers of the old zamindars and to set up purchasers in their place. Such landlords, when they find them-

selves able to do so, would have less scruple in enhancing the rents of their cultivators."¹⁴

The Act declared that the ryots having the right of occupancy should be entitled to pay 'fair and equitable rates.'¹⁵ In determining fair and equitable rates to be paid by the tenant the Court fell back on the simple procedure of reference to rates prevalent in adjacent lands,¹⁶ which by no means were conclusive evidence for the enhancement of the rent. Before the passing of the Act rents were fixed under the Settlement Regulations by the Settlement Officers, and the occupancy tenants, as the term was then understood, were entitled to pay rents at those rates, if not in perpetuity, at least during, the currency of the Settlement. By the passing of the Act the powers of the Settlement Officers for fixing a fair rent were curtailed and rents could only be enhanced within the four corners of the Act. Thus at every revision of the Settlements, the Settlement Officers adopted as the basis of assessment *assumed rent rates* which, though not actually paid in every instance, were yet so generally paid that those paying lower rates might, upon revision of Settlement, be fairly called upon to pay them. The result was that the rent rates were enhanced in almost every revision of Settlement and in the majority of cases the tenants began to be rack-rented.

Finally, the Act did a great injustice to the culti-

¹⁴ *Final Report on the Settlement of the Cawnpore District*, (1878), p. 61.

¹⁵ Act XVIII of 1873, Ss. 7 and 20.

¹⁶ Section 17, Clause I, Act X of 1859.

vators when it completely effaced their immemorial customary rights. Their rents were formerly governed by *pargana* i.e. customary circle rates, and custom played a very important part in the fixation of rent. In a Memorandum written in 1861, on the Oudh Land Controversy by Sir William Muir, then Foreign Secretary, much light is thrown on the stability and permanence of what were then called 'Customary rents' both in Oudh and in parts of North-Western Provinces. In some districts the customary rents were invariable. Certain castes, such as Brahmins, Thakurs and Kayasths, were privileged to hold at lower rates, and the resident cultivator had some advantages; but, in other respects, the prevailing rates were seldom, if ever, departed from.

The position of non-occupancy tenants was even worse for their rents and tenure depended entirely upon the will of the landlords. The Act made no definite provision relating to their security of tenure and status.

Act XVIII of 1873. Enhancement of Rents

Hence, in 1872 a Bill was introduced in the Legislative Council, for the codification of Revenue Regulations, which became the Land Revenue Act XIX of 1873. While the first Bill was still in progress an amended Rent Bill, applicable to the North-Western Provinces, was introduced by Mr. J. F. Inglis on February 18, 1873, which became Act XVIII of 1873.

An attempt was made in these two Acts to grapple with the difficulty relating to the enhancement of rents. The powers of the Revenue Courts were increased and

appeals were to be made not to the Civil Courts but to the revenue authorities. Arrangements were also made for the fair and full valuation of rents by the Settlement Officers at the time of Settlements. Under Act X of 1859 no limit was fixed within which a second suit for enhancement might be brought, hence the tenants were harassed with suit after suit for the enhancement of rents and the value of their occupancy rights was considerably diminished. The Act prescribed a period of ten years for the enhancement of rents of occupancy tenants.

Ex-proprietary Tenants

Another very important portion of the Act related to the ex-proprietary tenants. The position of ex-proprietary tenants was recognized even before the passing of the Act X of 1859. Mr. Thomason's views, as early as 1843, were that if an estate was sold in lieu of an arrear of revenue due to Government, the proprietors only lost their proprietary character; and if they were also the cultivators of the soil, they were entitled to hold their *sir* or *Khudkasht* at fixed rates from the landlord.¹⁷ Sir William Muir was also of opinion that the expropriary tenants were entitled to protection from the constant and irritating attempts on the part of the landlords. He pointed out that the State had always held itself at liberty to restrain the zamindar for the benefit of the tenant. No absolute or exclusive right in the zamindar

¹⁷ *Directions for Settlement Officers*, S. 132. See Section 28, Act XII of 1841.

has ever been admitted or declared. There is nothing in the previous position of the zamindar that would bar the Government from upholding the rights of any class of cultivators; and in recognizing the zamindar as proprietor, not merely as the passer-on of the rental, but as entitled to all the profit arising from the limitation of the Government demand, it has nowhere been conceded that he is in possession of any indefeasible power of enhancement. The proprietor cannot, therefore, complain if we limit his power of enhancement in respect of certain classes possessed of an anterior interest in the soil.¹⁸ The rents of exproprietary tenants were to be four annas in the rupee less than the prevailing rate payable by tenants-at-will for land of similar quality and similar advantages.¹⁹ The rents of exproprietary tenants could be enhanced during the currency of Settlement in the same way as the rent of occupancy tenants.

Compensation for Improvements

Act X of 1859 contained no provisions respecting the tenant's right to compensation for improvement. With regard to wells, the Courts laid down very strict rules against tenants. Thus a full Bench of N.-W. P. High Court in 1867 ruled that the digging of even a *kutchra* well by a tenant with the right of occupancy would be a breach of contract, giving the landlord a right of ejectment. This view was, however, considerably

¹⁸ *Supplement Gazette of India*, February 1, 1873, p. 192, Imperial Library, Calcutta.

¹⁹ Act XVIII of 1873, S. 7.

modified before the passing of Act XVIII of 1873. But it is scarcely too much to say that no tenant was likely to make any improvement in the land except in the shape of wells. The provisions, however, depended entirely on the voluntary action of the tenants, and it was found that owing to the ignorance of the tenants the sections were a mere nullity.

Act XII of 1881

In consequence of the recommendations of the Famine Commission another Bill was introduced into the Legislative Council by Mr. B. W. Colvin for the amendment of the Act XVIII of 1873 on March 12, 1880. The Bill was passed on March 11, 1880, and became Act XII of 1881.

The Act again endeavoured to remove the opposition of interests which had been created between the landlord and the tenant. The Act, however, maintained the 'twelve years' rule' for the accrual of the occupancy right which was mainly responsible for creating antagonism between the two classes. As early as 1882 the Board of Revenue noted the existence of this ill-feeling and remarked that 'the main, though by no means the only, reason of the antagonism between the two classes is what is known as the twelve years' rule.' The landlord seized the opportunity to rack-rent the tenants. The growth of occupancy right diminished the value of their property, and as this depended upon the continuous cultivation of the same land for a period of twelve years, they themselves steadily tried to prevent

its accrual.

The amount of ruinous litigation that was carried on to check the accrual of such rights can very well be seen from the increase in the number of notices for ejectment of tenants-at-will year after year.

Year	Number of Notices	Increase
1891-92	57,875 to 64,353	6,478
1892-93	64,353 to 65,665	1,313
1893-94	65,665 to 72,105	6,440

The large increase in the number of notices is a clear indication of the fact that the area held by occupancy tenants must have steadily declined. The Government also instituted an inquiry which revealed that in 1882-83 the area held by occupancy tenants was 63.92 and in 1897-98 the area under occupancy tenants had fallen to 58.38. This investigation proved that there was a steady deterioration in the position of occupancy tenants and that this retrogression was due to the unsatisfactory tenancy law in the province. This practice of ejectment was fatal to agricultural progress and to the true interests of landlord, the tenant and the Government. It was wholly incompatible with the existence of a contented, solvent and industrious peasantry. The Hon'ble the President of the North-Western Provinces Council in his speech on the N.-W. P. Tenancy Bill (1900) forcefully remarked thus: 'I assert unhesitatingly that a rent law which permits of the arbitrary ejectment of industrious tenants who have cultivated land for generations,

who have punctually paid their rents, and whose only fault in the landlord's eyes, is that they are about to acquire the status which the law intended they should in the circumstances acquire—I say a rent system which permits of such results stands self-condemned.²⁰ It led to a high degree of antagonism between the landlord and the tenant and produced hardships of an intolerable kind. The Act of 1887 was also full of badly expressed sections and was liable to misinterpretation. In the well-known commentary on the Act by Mr. H. F. House, it is referred to as 'one of the most slovenly and slipshod enactments on the Indian Statute-Book' and in this connection the commentator further remarked that the consequence was that it was the rule rather than the exception for the rulings in two cases on the same point to be at variance.²¹

Act II of 1901

The Government accordingly decided to introduce another Bill to improve the position of the tenants, and to harmonise the relations between the landlord and the tenant. The Bill met spirited opposition from the landholders of the province especially concerning two cardinal points in the Bill, viz., the acquisition of occupancy rights and the ejectment of non-occupancy tenants. The Government view, however, prevailed, and in spite of the opposition of the landlords, the Bill

²⁰ *Proceedings of Legislative Council, the North-Western Provinces*, Speech of the Hon'ble the President on Tenancy Bill, November 15, 1900. U. P. Legislative Council Library, Lucknow.

²¹ *N.-W.P. Rent Act* by H. F. House, I.C.S., pp. 67-68.

received the assent of Sir Antony Macdonnell and became N.-W. P. Tenancy Act II of 1901.

The Act recognised the following five classes of tenants:—

- (i) Permanent tenure-holders.
- (ii) Fixed-rate tenants.
- (iii) Ex-proprietary tenants.
- (iv) Occupancy tenants.
- (v) Non-occupancy tenants.

We have already discussed the first three classes of tenants elsewhere. No important change was made in the status and law relating to these classes. But important changes were made with regard to occupancy tenants. A tenant who had held the same land continuously for a period of twelve years acquired the right of occupancy. 'Same land' was defined to mean 'any land owned by the same landlord.' In order to prevent landlords from resisting the accrual of the occupancy right, the Act of 1901 declared that the growth of the occupancy right was not to be defeated merely by the landlords changing the fields of the holding, or ejecting the tenant and immediately after readmitting him to the possession. A tenant who had been allowed to hold the same land for twelve years undisturbed acquired the right of occupancy although the land so cultivated may have been different at different times.

Attempts were also made in the Act to induce the landlords to give to their tenants some fixity of tenure by granting long-term leases. Under the provisions of Section 8 of the Act of 1881 a lease was a document

which prevented the growth of occupancy right during the currency of its term. A short-term lease barring the growth of occupancy right was injurious to the prosperity of the agricultural community as it prevented fixity of tenure even to a small extent. The Act of 1901 laid down that 'no tenant shall acquire a right of occupancy in any land which he holds as a lessee, under a registered lease, for a term of not less than seven years.' In other words, the intention of the legislation was that if a lease for a term of less than seven years be given the term would count towards the growth of occupancy rights. This plan led to three desirable ends:—

- (i) the removal of the impediment to the fixity of tenure which short-term leases imposed;
- (ii) the encouragement of seven years' leases; and
- (iii) the removal of the necessity which a landlord felt for ejecting a tenant to prevent the accrual of the occupancy right.

The other change of importance related to the ejectment of non-occupancy tenants. If a landlord wanted to eject a non-occupancy tenant no check other than the conditions of the lease or an order of the court was placed upon him in the exercise of this power. If, however, the dispute between the landlord and the tenant arose because the tenant refused to pay a higher rent and a notice of ejectment was issued, the Act provided that the court would give the tenant the option

of accepting a 'fair' rent or vacating his holding. If the tenant agreed to pay the higher rent fixed by the court, he would be entitled to remain in his holding for seven years and the period would not count towards the accrual of occupancy right.

It is obvious that the intention of the Act was to facilitate fixity of tenure and fair rents. The Act was framed in imitation of the Bengal Tenancy Law, the acknowledged success of which was beyond doubt, and under which about 90 per cent of the cultivators acquired the occupancy right. In spite of the spirited opposition and the so-called changes introduced in the law, the means adopted were really in the nature of a compromise. No serious attempt was made to introduce radical changes in the existing system of land tenure. The non-occupancy tenants were given the semblance of fixity of tenure by making the legal procedure of ejectment more difficult and expensive; by providing that the nominal ejectment and shifting of cultivators from plot to plot would be no bar to the accrual of occupancy rights provided the cultivator was in possession of land for twelve years under the same zamindar and lastly, by introducing that leases for seven years or more would bar the growth of occupancy rights.

Defects of the Act

Doubts, however, were expressed from the very beginning regarding the wholesome effects of these provisions, and time has proved those doubts. It is true that the area recorded as held under occupancy rights or for

more than twelve years had increased between the year 1903-04 and 1921-22 from 1,27,09,000 to 1,43,66,000 acres or by 13 per cent. But of this increase the conditions were peculiar and the competition was for tenants rather than for land. Further, though occupancy rights had no doubt often been conferred in return for a lump payment or agreement to pay an enhanced rent, the growth in area had also been due in part to fraud, mistake and accident. Moreover, such increase as had taken place had been attained after immense and growing litigation.²² The average number of ejectments before the Act II of 1901 passed was 57,000, while the number of ejectments in the year ending 1922-23 averaged 1,27,000 and in the year 1922-23 was 15,700. The landlords did not acquire the habit of granting long term leases and the area under seven years' leases never reached one million acres in the whole province, and such leases were confined to Gorakhpur, Basti, and Meerut Division. The periodic tenancy depending on the consent of the landlord was also a fruitful cause of tenancy exploitation and of the levy of illegal exactions in various guises. The law regarding the enhancement of rent, though subjected to legal control, was commonly evaded as the demand for land was keen. No doubt the law provided that their rents could be enhanced by:—

- (i) Comparing the rent paid by occupancy tenants for land of similar quality and

²² Vide Speech of Hon'ble Sir Samuel O'Donnell, I.C.S. United Provinces Legislative Council, March 21, 1926.

with similar advantages; and

- (ii) proving that there has been a rise in the average level of prices.

But these provisions threw an apple of discord between the landlord and tenant and were responsible for ruinous litigation. Judging the Act, whether from the point of view of landlords or tenants, it satisfied none and often strained and embittered their relations. The system inevitably involved friction and did not satisfy even one of the essential conditions for a good system of tenure in the case of non-occupancy tenants, e.g., fixity of tenure and fair rents.

The verdict on the Act, on which high hopes were built by Sir (afterwards Lord) Antony MacDonnell's Government is recorded in the Government Resolution, dated April 28, 1924, announcing the appointment of a Select Committee to examine the defects in the Act of 1901, the object of which was to secure for the tenants in the province of Agra, to a large extent than the law previously in force had allowed, fixity of tenure and fair rents. The Resolution further added that the Act had failed to produce a lasting solution of the agrarian problem inasmuch as it had not succeeded in securing reasonable fixity of tenure and freedom from excessive enhancement of rent for a large portion of the tenantry. In introducing the Bill of the Act of 1901, Mr. Evans, the Government Member in charge concluded his observations with the following remarks:

"In asking permission to place the Bill before the Council I should express a hope that to this Council

will fall the honour of passing a measure that may be found hereafter to have solved for these provinces the difficult problems on the one hand of protecting the tenants from arbitrary treatment, and of giving security of tenure and some guarantee against unfairness of rent; and on the other of removing causes that have led to hostility between landlords and tenants in the past, of proving to the landlord that the prosperity of his tenant is not only not inconsistent with his own interests but is the surest guarantee of his advancement."

If Mr. Evans were to read the judgment of the Government (1924) on the Act, as recorded in the Resolution, on which Sir Antony MacDonnell had built such high hopes, Mr. Evans would undoubtedly be disappointed.

These defects were recognised as early as 1916-18 and a Bill was published in 1918 containing some far-reaching changes in many respects. The time, it was thought, was rather inopportune and the Bill was dropped for the time being. But the consensus of opinion was that the Act required a radical change in order to satisfy new ideas and new aspirations even amongst the backward agricultural classes after the stress of War (1914) and the epoch-making changes in the political world which followed it. It was decided in 1923 to appoint a Select Committee with instructions to examine the Act II of 1901, to suggest change and to submit a Draft Bill. The Draft Bill, as submitted by the Select Committee, was presented to the Legislative Council on July 1, 1926, and after heated discussions

and strong opposition on the part of the landlords the Bill was passed by 40 votes against 28, on July 31, 1926.

Act III of 1926

The Agra Tenancy Act of 1926 abrogated the old time-limit of twelve years for the accrual of occupancy rights. Occupancy rights under the Act could not be acquired by the mere lapse of time. All existing rights were scrupulously retained, and occupancy rights could be acquired by grant or sale as frequently as they were in the past. Thus the twelve years' rule, that fruitful source of litigation, first started in 1859 after causing much havoc in agricultural community, was abrogated. For more than sixty-five years the rule was in force and it is difficult to imagine the amount of ruinous and harassing litigation, intolerable hardships, and bloody reprisals to which it led. If one were to calculate the number of ejectment notices issued under this rule from 1859 till the passing of the Act (1926), the number would reach an astounding figure. Again, if one were to estimate the amount of time and money spent over such litigation, the result would be an eye-opener to the land-holding classes who appealed to the Government in the name of law, order, and loyalty.

The Act, in order to increase fixity of tenure, granted the right of life-tenancy to every tenant-in-chief other than a tenant-in-Sir, with the right to the heir to hold on for another five years after the latter's death. This was a wholesome provision as it vastly increased

the fixity of tenure which was wanting under the Act of 1901. The Act introduced the system of roster year for the revision of rents. A *roster year* is defined in the Act as an agricultural year fixed by the Local Government in respect of any district or other local area for the determination of fair and equitable rates for the purpose of suits for enhancement and abatement of rents of fixed-rate tenants, expropriary tenants, occupancy tenants, statutory tenants and heirs of statutory tenants. The other changes introduced in the Act may briefly be summed up as follows:—

- (i) Enlargement of the *Sir* area with an elastic provision for its further increase in future;
- (ii) Zamindar's power of compulsory acquisition of land from ex-proprietary, occupancy, statutory tenants and heirs of statutory tenants for the purpose of farming on improved lines and for certain other purposes mentioned in the Act;
- (iii) Introduction of cheaper and simpler methods for the realization of rent; and
- (iv) Right of landlord to make improvements, affecting the holding of a tenant not having a right of occupancy with or without his consent; and on the holding of a tenant having a right of occupancy with the written consent of the tenant.

Conclusions

From the foregoing account three conclusions stand out prominently. Firstly, the necessity for tenancy legislation was felt on account of the economic transition through which the country was passing during the middle of the nineteenth century. This transition brought about "a peculiar interdependence between India and the West, whereby India tended to produce and export in the main, raw materials, and foodstuffs."²² Secondly, the increase in population during the period resulted in increasing the pressure of population on land. These two facts fundamentally changed the character of the rural economy of the eighteenth century when there was a demand for tenants rather than land. Perhaps, it may be more reasonable to say that the fundamental tendencies in land problems, under the stress of purely economic forces, during the period, would have been the same even if we had an 'Indian rule'. The critics of the Government land policy have sometimes ignored these facts and have often asserted that the policy pursued by the Government was essentially responsible for the creation of new land problems in the country.

At the same time it must be admitted that the policy pursued by the Government invariably aimed at maintaining a balance between the conflicting interests of the landlords and the tenants. Unfortunately, the political influence wielded by the landlords and the

²² Anstey, op. cit. p. 5.

Taluqdars and the lack of an organization on behalf of the peasantry turned the balance in favour of the landlords. This perhaps is an accurate explanation of the causes of the suffering of the peasantry during all this period.

Secondly, the success of tenancy legislation will depend to a large extent on an organization amongst the tenants. As long as no peasant body exists which has power to speak and advocate the cause of the peasantry, tenancy legislation cannot successfully check economic exploitation. The existence of an organized Peasant Committee is necessary to carry into effect the terms of tenancy agreements, conciliation and arbitration. Such bodies, till recently, did not exist in the country. Hence the abuse of tenancy law, e.g., illegal exactions, was partly due to this factor.

Finally, it must be pointed out that the glaring fault of the early British land policy is its disregard of the immemorial customary rights in land systems. The aim of subsequent tenancy legislation throughout India has been to rehabilitate such rights.

CHAPTER VIII

TENANCY LEGISLATION IN OUDH

Land policy in India throughout the nineteenth century was greatly influenced by political events. But, perhaps, in no part of India, such events had a more pronounced effect on economic status of the peasantry than in Oudh. In an earlier Chapter (VI) we have pointed out the effects of the Indian Mutiny on the rights of the under-proprietors. The terms of the 'Oudh Compromise' (1866) affected two classes of persons: under-proprietors and tenants. The Talukdars had agreed to the right of sub-settlement to the under-proprietors on the definite condition that in future occupancy rights in Oudh would not accrue. The Oudh Rent Act (XIX) of 1868 was passed in the light of the terms of the 'Compromise'. In order to understand the rights of the tenants in Oudh, it is necessary to state the controversy which centred round the right of occupancy and was finally settled by the terms of the Oudh Compromise. In this Chapter the views of Lord Elgin and Sir John Lawrence on occupancy rights will be pointed out. The main provisions of the Oudh Rent Acts of 1868 and 1886 will also be stated. This will be followed by an examination of the working of the Acts. Finally, the main changes brought about by the Oudh

Rent (Amendment) Act of 1921 will be pointed out.
Campbell on Occupancy Rights

While the question of subordinate rights in the Talukas was being discussed,¹ Sir George Campbell, the Judicial Commissioner of Oudh, made the following observations regarding the rights of occupancy tenants for the guidance of the Settlement Officers:—

I am pretty sure that no officers are likely to find that any rents of cultivators were fixed, in the sense of being absolutely and permanently fixed at a definite sum of money, for ever. Nothing was so fixed either in Oudh, or, I believe, in any other part of India. But it appears to be generally understood that though there were in Oudh no cultivators at actual fixed rates, there certainly were cultivators possessing a right of occupancy and liable to regulated rates, by which rights they were distinguished from tenants-at-will.²

The Chief Commissioner, Sir Charles Wingfield, who, as we have seen,³ wanted to obliterate all the customary rights of under-proprietors and cultivators, did not like to record the occupancy rights of the cultivator in the Record of Rights, which were being prepared by the Settlement Officers. In the rules for the Record of Rights issued for the guidance of the Settlement Officers, the Chief Commissioner observed that he had determined to make no distinction in the re-

¹ See Chapter VI.

² *Parliamentary Papers relating to Oudh*, 1865. Vol. 40. Paper 62, pp. 56-7, *Covering letter* (No. 340), April 28, 1862.

³ See Chapter VI.

cords between cultivators at fixed rates,⁴ and cultivators-at-will.

Elgin's views on occupancy rights

This caused anxiety to the other officers (Sir Charles Campbell and others). Sir Charles Wingfield's attitude towards occupancy rights and his reply⁵ to Sir Charles Campbell's letter (quoted above), attracted the attention of Lord Elgin, who on May 18, 1863, addressed a letter to the Chief Commissioner in the following words:—

His Excellency is of the opinion that the attempt to define accurately in the Settlement Records the extent and limits of the rights of occupancy is no doubt attended with much difficulty. But it is admitted that *such rights exist, and that the tenants who enjoy them differ from tenants-at-will*. You are, therefore, requested to state whether the omission of all reference to their rights in the Settlement Records, coupled with the judicial powers conferred on the Talukdars, will not have a tendency to obliterate them altogether, and thus to prejudice unjustly the status of the holders, and whether it would not be possible so to record them as to keep them alive, leaving it to the courts to determine the precise nature of these rights, if disputes should arise on this head.⁶

⁴ *Parliamentary Papers relating to Oudh*. Vol. 40. Paper 62, (1865), p. 38. Record of Rights.

⁵ *Ibid.*, p. 58.

⁶ *Parliamentary Papers relating to Oudh*. Vol. 40. Paper 62. (1865), p. 60.

To this letter of Lord Elgin, the Chief Commissioner never replied.⁷ Meanwhile, the subject had attracted the attention of Lord Halifax, the then Secretary of State for India, who in his Despatch No. 12 of June 9, 1863, called for an early report on the matter.⁸

Lord Elgin, however, could not fulfil his desire of protecting the interests of the cultivating classes and died on November 20, 1863. Sir John Lawrence became the Viceroy in January, 1864. He was equally interested in the welfare of the peasantry and was not prepared to sacrifice their interests. His attitude from the beginning was firm.

The Government of India letter (No. 65), dated August 17, 1861, stated 'that the rights of under-proprietors should be clearly defined and jealously protected'. Further, the Viceroy did not approve of the instructions of the Chief Commissioner addressed to the Settlement Officers 'that no hereditary tenant rights, whatever, are to be recognized'. 'These instructions', His Excellency remarked, 'seem at variance with those of the Secretary of State, and contrary to sound policy.'⁹

Wingfield opposed Elgin's views

The Chief Commissioner, Sir Charles Wingfield, on March 26, 1864, submitted a statement regarding his views on the right of occupancy. He now took the

⁷ *Parliamentary Papers relating to Oudh*, Vol. 40, Paper 62, (1865), p. 147.

⁸ *Parliamentary Papers relating to Oudh*. Vol. 40. Paper 62, (1865), p. 60.

⁹ *Ibid.*, p. 100.

extreme view and declared 'that no right of occupancy or custom which has acquired the force of a right can be proved on the part of non-proprietary cultivators' and hence in Oudh 'there are no rights of occupancy.'¹⁰

This reply was followed by the meeting in April, 1864 at Cawnpore between Sir John Lawrence, Sir Henry Maine and Charles Wingfield. On May 16, 1864, Sir Charles Wingfield, after consulting the Talukdars on the subject, in the form of a memorandum, reported that the Talukdars were opposed to the right of occupancy and the limitation of rental demand during the currency of a Settlement in the case of non-proprietary cultivators because 'such rights had never been known in Oudh and their creation would strip them of the character of landlord and leave them a mere rent charge on their estates.'¹¹

Sir John Lawrence on Occupancy Rights

To this memorandum of the Chief Commissioner, Sir John Lawrence, on May 28, 1864, wrote a forceful reply. On the question of tenant right His Excellency remarked: "If this were a mere question in which the interests of a few individuals were concerned, I might hesitate in maintaining my own views. But it is really a question in which are involved the interests of a great body of men, many of whom, I have no doubt, are the descendants of the old proprietary com-

¹⁰ *Parliamentary Papers relating to Oudh*. Vol. 40. Paper 62, (1865), pp. 106-116. They contain the 'Minute on Tenant Right of Occupancy' by Charles Currie, I.C.S.

¹¹ *Ibid.*, pp. 166-67.

munities of the province of Oudh, *whose rights are now enjoyed by the Talukdars of the present day.*¹² When these Talukdars talk of their rights, they should not forget that the security of their rights is mainly derived from the British rule; and that under Native rule they were always liable to lose their possessions. The value which British rule has given to their lands is enormous and much beyond what they can now appreciate. I do not myself consider that the admission of the ancient tenants of land, the old hereditary cultivators, and the broken down ill-treated descendants of the former proprietors to the right of occupancy, and to fair and equitable rates, will infringe in the least degree the pledge of Lord Canning. I feel sure myself that while he was desirous to maintain the 'just rights' of the Talukdar, he had no intention to transfer to them the rights of others, with the single reservation that the Talukdar, however he may have acquired the land, should continue the head proprietor.

'I do not desire to create rights in the land in Oudh; all I require is that the rights which flow from long possession, by general consent among the people, shall be recognized and recorded. Such rights, any just Native rule would admit; such rights our laws in India have distinctly laid down. I do not desire to see 'Regulation (Act X) of 1859', extended to Oudh for the present. I should prefer to see some of its provi-

¹² Italics are mine.

sions modified. But if the Talukdars will not consent to a compromise, there will be nothing for me but to do this. The Government is limiting its demand to half the rent; practically as you know well it will never reach that proportion; where the Talukdar is gaining so much, he can surely afford to give a little to others, or rather I should say, to forego somewhat of his claims."¹³

Perhaps a more sympathetic letter upholding the cause of the peasantry from the pen of a Viceroy can hardly be found in the revenue literature of India. But even this reply of His Excellency had no effect on Sir Charles Wingfield. On June 6, 1864, he wrote proposing either to resign his appointment or that a Financial Commissioner might be appointed to deal with the matter.¹⁴

Record of Occupancy Rights

On June 20, 1864, Sir John Lawrence, recorded a Minute in which he proposed to abolish the Office of the Settlement Commissioner and appointed a Financial Commissioner to deal with the problem of occupancy right.¹⁵ Meanwhile, on September 27, 1864, the Governor-General informed the Chief Commissioner that he wanted to institute an inquiry into the rights and claims of the cultivator.¹⁶ The Financial

¹³ *Parliamentary Papers relating to Oudh*. Vol. 40. Paper 62, pp. 167-8 (1865).

¹⁴ *Ibid.*, p. 170.

¹⁵ *Ibid.*, pp. 158-165.

¹⁶ *Ibid.*, p. 184.

Commissioner, Mr. R. H. Davies was asked 'to lose no time in revising the Revenue Circulars so as to bring them into accordance with the foregoing orders.'¹⁷ On October 24, 1864, the Financial Commissioner issued a Circular letter to the Settlement Officers asking them to record the right of cultivators other than tenants-at-will.¹⁸ An investigation on the lines of the Circular was commenced by the Settlement Officers. As a result of the inquiry it was found that by the custom and usage of the country tenants were not ejected as long as they paid rents at the prevailing rate, which, however, were customary and were not infrequently increased. The Financial Commissioner in his Report of June 19, 1865, on the subject stated that he was decidedly of the opinion that, apart from political engagements, Act X of 1859, is as much adapted to the circumstances now existing in Oudh as it is to the North-Western Provinces. Its introduction would merely transmute customs into rights.

Oudh Rent Act (1868)

Meanwhile, the terms of the Oudh Compromise were settled. As a result the Oudh Rent Act (XIX) of 1868 was passed. The most important part of the 'Compromise' is contained in Section 5 of the Act. The Act conferred the right of occupancy on every tenant, who, within thirty years next before February 13, 1856,

¹⁷ *Parliamentary Papers relating to Oudh*. Vol. 40. Paper 62 (1865), pp. 244-5.

¹⁸ *Parliamentary Papers relating to Oudh*. Vol. 13. Paper 290, (1866), pp. 27-38. See also Irwin, op. cit., pp. 252 and on.

was in *possession as proprietor* of some portion of land in a village. Such a tenant was given a heritable but not a transferable right of occupancy from August 24, 1866. All other cultivators had to establish their occupancy rights in a court of law.

Such is briefly the history of the origin of occupancy rights in Oudh. The tenantry, which formed the bulwark of the Government in the dark days of the Mutiny, and had received glorious promises in the State Papers and the Proclamation, was deprived of the right of occupancy to please the Talukdars of Oudh. *No occupancy rights were recognized in the case of ordinary tenants.* Expropriators had to establish their claim for the right of occupancy and only a very small percentage could establish it. The Compromise was the most fatal blow to Oudh tenantry. It has no parallel in India. Even the twelve years' rule of the Agra province for the future growth of occupancy rights was denied to the Oudh tenantry. The vast mass of the tenantry had to depend upon short-term leases granted by the Talukdars.

Views of the Famine Commission (1880) on the Oudh Rent Act (1868)

The Act was not long in force before it was felt that it did not afford sufficient protection to the cultivators. The Indian Famine Commission had noticed serious defects in the working of the Act. The Commission observed:—

- (i) The laws gave scope for the exercise of anta-

gonistic feelings between the landlord and tenants in suits for enhancement of rent.

(ii) A common form of oppression on the part of the landlords was to break up the holdings of the tenants with a view to destroying the accrual of occupancy rights by rendering the fields less distinct. This practice was common in Agra province.

(iii) Through the practice of sub-letting the occupancy tenant was turned into a middleman, and lived on the difference between the rack-rent and the privileged rate secured under the provisions of the law.

(iv) The condition of the tenant-at-will, which formed an increasing class, was one of serious apprehension. They were kept in a situation of absolute dependence on the landlord. The tenants had no desire to improve the land, or to raise their own position, or to lay by any thing from the profits of agriculture.¹⁹

Condition of Tenantry in Oudh (1883)

As a result of the Report of the Famine Commission, the Local Government instituted an inquiry into the relation between the Talukdars and the tenants. The result of the inquiry covers a vast field and its valuable Report is issued in two volumes.²⁰ Of the total cultivated area in Oudh, as the result of the inquiry, it was found that about $7\frac{1}{2}$ per cent was cultivated by proprietors, $4\frac{1}{2}$ per cent by sub-proprietors or by tenants

¹⁹ *Report of the Indian Famine Commission*. (1880). Part II. Chap. II. Sec. 1.

²⁰ *The Condition of Tenantry in Oudh*, (Government Press, Allahabad), Vol. I and Vol. II, (1883).

having occupancy rights and about 88 per cent by tenants-at-will.²¹ In Agra province at that time only 38 per cent of the cultivated area was occupied by tenants-at-will.

On the working of the Rent Act (XIX of 1868) I shall give only a few opinions of experienced officers.

Major Erskine, Commissioner on special duty remarked: "Almost the whole body of Oudh tenants, under the present rent law, have no protection whatever against eviction or enhancement."²²

Mr. H. B. Harrington, I.C.S., Officiating Commissioner, Rai Bareilly in his letter of June 20, 1881 said: "Nothing can be more miserable than the condition of the cottier tenant of Oudh. His condition has been made more miserable by our own mistakes."²³

Mr. J. W. Quinton, I.C.S., Commissioner, Lucknow Division in his letter (No. 527), dated February 27, 1882, observed: "The conclusions to be derived from the reports are that in Unao and Lucknow there are strong reasons for holding that rents are being unfairly raised, and that the condition of the tenants-at-will is consequently little removed from destitution."²⁴

Increase of Rents

Many more instances could be given from the reports of responsible officers. They all point out that rack-renting was freely practised and ejectment was common.

²¹ *The Condition of Tenantry in Oudh*, Vol. II, p. 240.

²² *Ibid.*, p. 240.

²³ *Ibid.*, p. 24.

²⁴ Vide *'The Condition of Tenantry in Oudh'* (1883), p. 275.

The extent of the rise of rents of tenants-at-will in each district since the Settlements of 1848 till 1882 is shown in the following table²⁵:—

Lucknow	27.1 per cent.	Fyzabad	21.3 per cent.
Unao	23.3 " "	Bahraich	41.2 " "
Bara Banki	19.2 " "	Gonda	13.9 " "
Sitapur	37.3 " "	Rai Bareilly	25.5 " "
Hardoi	29.7 " "	Sultanpur	26.8 " "
Kheri	29.2 " "	Partabgarh	49.4 " "
Oudh	24.5 " "		

In brief, the Oudh Rent Act (1868) had the following important defects:—

(i) There was no security of tenure in the case of tenants-at-will. They held on annual leases.

(ii) In the absence of security of tenure, rack-renting was common.

(iii) The tenants could not make improvements in their lands.

Oudh Rent Act XXII, 1886

The second Oudh Rent Act was drafted to remove these defects. The main provisions of the Bill were:—

(i) To give all tenants a statutory right of occupation for seven years.

(ii) On the expiry of the statutory period the rent could only be enhanced at the rate of one anna in the rupee ($6\frac{1}{4}$ per cent.).

(iii) To check the ousting of the tenant it was pro-

²⁵ *The Condition of Tenantry in Oudh*, Vol. II, p. 74.

vided that a new occupant shall not be required to pay more than one anna in the rupee over the rent paid by the last tenant ($6\frac{1}{4}$ per cent.).

(iv) The tenant was also protected by a provision that if he was ejected, the landlord should pay him a year's rent as a compensation for disturbance.

(v) As regards improvements it was provided that the tenant should not be ejected until he had obtained compensation for the improvements effected. But he was not allowed to make improvements without the consent of the landlord—a right of appeal, however, was allowed to the Deputy Commissioner in case the landlord refused his consent.

The Talukdars vehemently opposed the provisions for compensation for ejectment on the ground that it was unjust that they should be required to pay compensation for ejecting a tenant. A compromise, however, was arrived at by requiring the Talukdars to pay a stamp duty of half year's rent, subject to a maximum of Rs. 25 in the event of ejectment. For the rest, the Bill was passed by the Imperial Legislative Council in the main form in which it was drafted and became Act XXII of 1886.

The Act remained in operation from 1886 to 1921. It is essential to examine the working of the Act during this period of thirty-seven years to see how the Act achieved the objects which its framers had in view.

The Practice of Nazrana

The most important provision of the Act was that

while it checked the power of the Talukdars to enhance rents it did not provide a better security of tenure to the statutory tenants. The result of this was that the practice of exacting *nazrana* was started to defeat the provisions of the Act. The Act had provided protection to the statutory tenants by giving them a lease for a period of seven years after the expiry of which their rents could not be enhanced by more than an anna in the rupee. Under the provisions of ejectment the new cultivators could not also be made to pay more than $6\frac{1}{4}$ per cent over the rent of the ejected tenant.

These provisions were good enough but they provided a loop-hole. After the expiry of the statutory period of seven years before a fresh lease could be granted the tenant was required to pay a heavy *nazrana* for his fresh entry. If the sitting tenant refused to pay he was ejected and the land was given to another tenant who was prepared to pay the *nazrana*. Thus the *nazrana* represents nothing but the concealment of rentals. His Excellency, Sir Harcourt Butler, the most popular Governor among the Talukdars during recent times, in a Minute, dated July 6, 1921, remarked that 'substantial *nazrana* or *premia*, have been taken at the end of seven years from the old or new tenants to get possession of the land. The *nazrana* amounted in some cases to two or three hundred rupees.'

Oudh Rent (Amendment) Act, 1921

The harmonious relations between the Talukdars and tenants gradually disappeared and the conditions

became well-nigh intolerable. The crisis, however, was reached early in January, 1921, when agrarian rioting broke out in Southern Oudh.²⁶ The revision of the Act became inevitable and urgent. The Government in the same year introduced into the Legislative Council the Oudh Rent (Amendment) Bill to remove some of the important defects of the Act. The Bill was piloted by Sir Ludovic Porter. It was passed by the Council after a heated discussion and received the assent of the Governor of the United Provinces on November 28, 1921. The main changes introduced by the Act may briefly be summed up as follows:—

(i) The Statutory period of tenancy was raised from seven to ten years.

(ii) Instead of having a Statutory lease for seven years at the expiry of which the tenant was liable to arbitrary ejectment, every resident tenant in Oudh under the Act, was given a tenure for life, subject to a revision of his rent after the expiry of every Statutory period of ten years, either by written agreement between him and the Talukdar or as determined by the Court in accordance with the sanctioned rates fixed by a Settlement Officer or by a Special Officer.

(iii) A Roster year system was introduced for the determination and sanction of fair and equitable rent rates for each district by special officers every tenth year.

(iv) The rule contained in the Oudh Rent Act of

²⁶ See Chapter XI.

1886, limiting the rental demand to a six and a quarter per cent i.e., one anna in the rupee was repealed. The restriction placed on the landlord not to demand from a new occupier a rent more than one anna in the rupee over the rent paid by the ejected tenant was also removed.

(v) A Statutory tenant may, without reference to the landlord, construct a well for the irrigation of his holding. A tenant, holding on special terms, may make any improvement on his holding except planting of trees.

(vi) The right of an heir of a resident Statutory tenant was placed on a more definite basis. He was allowed to occupy the holding for a period of five years, but without statutory privileges. The heir of a non-resident tenant was allowed to retain the holding of the deceased for the unexpired portion of the statutory period.

(vii) A distinction was drawn between a resident and non-resident tenant. The landlord was empowered to let the holding of a non-resident tenant to one who ordinarily resided in the village.

(viii) Sub-letting was discouraged. A Statutory tenant as well as an heir of a deceased Statutory tenant was prohibited, except with the written consent of the landlord, from sub-letting any part of his holding for a period exceeding two years, or within two years any part of his holding already sub-let to a sub-tenant.

(ix) A check was put on the payment of nazrana by providing that such payments paid on admission to

a holding shall be regarded as illegal and the tenant shall be entitled to compensation.

(x) The proprietors' rights in *Sir* lands had been considerably increased. In addition to the existing *Sir* lands at the time of the passing of the Act, all land, which was in cultivation of the proprietors or under-proprietors at the commencement of the Amendment Act (1921), and which was recorded as the *Khudkasht* in the preceding year, was declared to be *Sir*. In future all *Khudkasht* of the proprietor or under-proprietor cultivated for an uninterrupted period of ten years shall become *Sir* land.

(xi) Lastly, the Talukdars were given extensive powers for the acquisition of holdings from their tenants for the purpose of their own cultivation and for agricultural development.

It will appear from the above changes in the amended Act, that the Act was in the nature of a compromise. In the Statement of Objects and Reasons annexed to the Bill, the intention of the Government "was to improve the relation between landlord and tenant in Oudh, and especially to give the latter greater security of tenure and a fair rent." The Act was passed with the consent of the Talukdars. But the millions of the poor peasantry were never consulted. The Hon'ble Sir Ludovic Porter in introducing the Bill remarked: "As regards our not consulting tenants, it is obvious that they have no recognized body to represent them."²⁷

²⁷ *The Proceedings of the United Provinces Legislative Council*, August 4, 1921. Speech of Sir Ludovic Porter.

Thus the Act, though it somewhat improved the position of the peasantry, could not be of a lasting nature. An examination of the working of the Act is reserved for the next Chapter.

CHAPTER IX

TENANCY LEGISLATION IN UNITED PROVINCES

Introductory

The greatest social and economic question of the day in India is the peasant problem. Throughout the nineteenth century and even today, in land settlements, the interests of the landlords predominated and little attention was paid to the welfare of the peasantry. No doubt any legislation in connection with agrarian matters, intimately affecting the interests of so many different classes, is necessarily difficult and contentious; but the strongly organized body of the landlords and Talukdars made it exceedingly difficult for the Government to pass any legislation to which their free consent could not be obtained. With the establishment of British rule the landlord's position became very strong as it had never been before. The result has been that tenancy legislation has always aimed at a compromise in which the tenants have been the greatest sufferers. The Agra Tenancy Act (1926) and the Oudh Rent (Amendment) Act (1921) were half-way measures and in their working several important defects were noticed. It became evident that unless some of their provisions were radically changed, the condition of the peasantry would

become worse with the passage of time. The Congress Government, soon after it came in power (1937), set up an expert committee to make changes in the Tenancy Acts of the province. The United Provinces Tenancy Bill was introduced in the Legislative Assembly on April 20, 1938 and, after very heated debates, was passed by both the Houses of Legislature on October 4, 1939. It received the assent of the Governor on December 6, 1939 and became the United Provinces Tenancy Act (XVII) of 1939.

The United Provinces Tenancy Act (1939) has repealed the Agra Tenancy Act (1926) and the Oudh Rent Act (1921). Thus it applies equally to the zamindars of Agra and the Talukdars of Oudh. The Act has removed the long standing anomaly of two tenancy legislations in two parts of the same province which historically, culturally, and economically are not different. In this chapter, the defects of the Agra Tenancy Act (1926) and the Oudh Rent Act (1921) will be pointed out. Secondly, a description of the fundamental features of the present Act will be given. Finally, an account of the post-War land reforms in Eastern Europe will be described and its lessons for India pointed out.

Statutory Tenants

Previous to the passing of the Agra Tenancy Act (1926) the right of occupancy could only be acquired by continuously cultivating the same land for a period of twelve years. In Oudh the right of occupancy

under the terms of the Oudh Compromise (1865) could never be acquired by a mere lapse of time.¹ The twelve years' rule of the Agra province had its origin in the Act X of 1859.² It undoubtedly was the most mischievous rule in the whole body of the Act. The backbone of the peasantry was completely broken under the working of this rule. It caused a revolution in the Indian land system by completely removing the immemorial customary rights of the tenants from which alone occupancy right could arise. Efficient agriculture was an impossibility when the fear of ejectment was hanging over their necks like the sword of Democles.

The scheme of statutory tenancy was first introduced in the Oudh Rent (Amendment) Act (1921) and was afterwards extended to the Agra province by the Agra Tenancy Act of 1926. In Oudh the statutory tenants had a life-tenancy subject to a revision of their rents after the expiry of every statutory period of ten years. In Agra most of the non-occupancy tenants were given life-tenancy. The heirs of the statutory tenants had the right to hold the land for a period of five years after the death of the statutory tenant.

The creation of statutory tenants giving them a life-tenancy was an important step forward in the history of tenancy legislation in these provinces. It gave the cultivators a greater security of tenure during their lifetime. It put an end to seven or ten years' lease system for cultivators which was a common feature

¹ See Chapter VIII.

² See Chapter VII.

of non-occupancy tenancy in these provinces before it.

Defects of Statutory Tenancy

But statutory tenancy was open to one serious limitation. Life-tenancy is incompatible with any permanent advance in the methods of agricultural progress. The policy of 'after me the deluge' is fatal to the progress of an individual as well as to society. Human nature cannot accept a great sacrifice for a mere temporary gain. The possession of land for a single life is not sufficient in India, where people have more regard for their sons and grandsons than for themselves, to induce them to invest any considerable amount of capital and labour in the improvement of land. Hence any system of tenancy reform which tends to threaten the source of livelihood of the family on the death of its head cannot but be regarded with extreme disfavour.

The result was that while the tenant was protected during the currency of his tenancy his heir was not protected at its termination. When a tenancy was terminated by the death of the tenant the landlord was at liberty to dispose of the holding on whatever terms he liked. Once then in every generation the whole of the land in the province, held by statutory tenants, was let under conditions of unrestricted competition. Taking the average duration of a life-tenancy at 20 years, one-twentieth of the land of the province, on an average, was at the disposal of the landlords each year. The pressure of population on land is already excessive-

ly heavy in the villages. A system of tenancy terminable with the lifetime of the tenant led to a rush for a holding whenever one fell vacant.

Classes of Tenants under the Act (1939)

Hence, the United Provinces Tenancy Act (1939) has replaced Statutory Tenants and the Heirs of Statutory Tenants by Hereditary Tenants. The following classes of tenants are recognized in the Act:—

- (1) Permanent tenure-holders.
- (2) Fixed-rate tenants.
- (3) Tenants holding on special terms in Oudh.
- (4) Exproprietary tenants.
- (5) Occupancy tenants.
- (6) Hereditary tenants.
- (7) Non-occupancy tenants.

We have already discussed (1), (2), (4), (5), and (7) classes of tenants in earlier chapters.

Every tenant in Oudh holding land under a special agreement or a judicial decision made or passed before the passing of the Oudh Rent Act (1886) is called a tenant holding on special terms. Such tenants have all the rights and are subject to all the liabilities conferred and imposed on occupancy tenants in Oudh under the United Provinces Tenancy Act (1939). These tenants are peculiar to Oudh and, as their name indicates, their rights and liabilities are not uniform. It may be pointed out that under Section 101 the appropriate rent-rate for this class of tenants is that applicable to exproprietary tenants, that is, two annas less in the rupee than that of

an occupancy tenant in Oudh.³

Hereditary tenants form the new class of tenants created by the Act. They form the most important class and occupy the largest percentage of area in the province. In Agra the statutory tenants and the heirs of statutory tenants, who cultivated merely 25 per cent (i.e., 73,48,172 acres) of the total cultivated area in the province under the Act of 1926, have acquired hereditary rights. Some non-occupancy tenants have also acquired this right. Similarly, in Oudh the statutory tenants and the heirs of statutory tenants who cultivated nearly 70 per cent of the total cultivated area in the province (i.e., 69,56,422 acres) under the Act of 1921, have become hereditary tenants. Briefly, the hereditary tenants include the following classes of tenants⁴:—

(1) Statutory tenants, including *pahi-kasht* tenants, who were liable to ejectment under Section 62-A (Clause e), of Oudh Rent Act, (1921).

(2) The heirs of statutory tenants.

(3) Tenants in Oudh who could not acquire the rights of statutory tenancy under the provision of Section 67(b) of the Oudh Rent Act, (1921).

³ It may be pointed out here that the occupancy tenants in Oudh differ from the occupancy tenants in Agra. In Chapter VIII we have already pointed out that occupancy tenants in Oudh are ex-proprietors who had lost their proprietary character within 30 years before Feb. 13, 1856. The rights and liabilities of these tenants were settled by the terms of the 'Oudh Compromise' (1865). In Agra the occupancy right had its origin under the twelve years' rule of Act X of 1856.

⁴ The area held by occupancy tenants in Oudh is 1,15,068 acres, that is, just a little over 1 per cent of the total cultivated area in Oudh.

(4) Tenants in Oudh holding land specified in Schedule D to the Oudh Rent Act (1886) unless such land is exempted in Section 30.

(5) Tenants in Agra who held land from permanent tenure-holders before the passing of the Agra Tenancy Act (1926) and were tenants at the time of the passing of the Act (1939).

(6) Tenants of tea estates, which had been notified under Act II of 1926, but which have not been notified under Section 30, (Sub-section 5), of the Act (1939).

As a result of the creation of this new class of tenants, the statutory tenants and heirs of statutory tenants in Agra and Oudh have become hereditary tenants. Their holdings are heritable and their tenancy rights do not terminate with the death of the tenant. They cannot be ejected by the landlords. Their rents can only be increased under the provisions of Section 110 which provides rules for the framing of standard rates for hereditary tenants.⁵

It is a cardinal principle of agricultural economics that the most essential needs of a tenancy are: fixity of tenure and fair rents. The creation of hereditary tenancy has satisfied these two essential conditions and has placed before the tenants rights and independence which they never enjoyed before. It is unfortunate that in early years of British rule, partly on account of ignorance and partly on account of political troubles, new rights in property were instituted. It is, however,

⁵ These provisions are discussed in pp. 179-83.

important to point out that the rights of proprietors of land cannot be the same as those of the owner of a chattel or a commodity. They are always subject to the implied obligations of securing the cultivation of land for the support of the nation and of granting enough security to the cultivators to maintain them on the soil. The fact is that State control, both of the activities of the landlord and the peasants, for the benefit of the nation, is necessary. When population was sparse a village code of local customs and traditions had developed and afforded a safeguard to the peasants. But they do not afford enough protection now. Hence, legislative protection and State control are the only methods of safeguarding the general public interest. Let us hope that the hereditary tenants who form the bulk of the tenants in the province will place agriculture on a sounder, healthier, and more remunerative basis.

Sir Lands

The Agra Tenancy Act and the Oudh Rent Act provided for a considerable increase in the *sir* area of the zamindar or the Talukdar. In Agra a graduated scale was introduced according to which a landlord could acquire sir up to a certain percentage of his proprietary interest in the *mahal*. Landlords or permanent tenure-holders, having not more than 30 acres of land, could acquire sir to the extent of 50 per cent of their area; but if the area exceeded 30 acres and was less than 600 acres, not more than 15 per cent of the area could be acquired as sir land. In Oudh there was no such

graduated scale and the sir area could not exceed one-tenth of the total cultivated area of the village.

The increase in sir area must inevitably mean that a number of families will cease to be statutory tenants, and will either be dispossessed or reduced to the position of non-occupancy tenants. There was nothing in the Act to prevent the landlord from taking into his possession much of the *gauban* (lands near the village) in the village which generally does not amount to more than 10 or 15 per cent of the total cultivated area. Similarly, he could gradually take into possession much of the irrigated portion of the village. The result was that while the Acts granted rights to tenants, they provided means for those rights to be taken away.

Further, the Acts imposed no restrictions on the sub-letting of sir. And as no occupancy or statutory right could accrue in sir, the tenant cultivating the sir of the zamindar remained a non-occupancy cultivator. Sub-letting is no less vicious in the case of a landlord than in the case of a tenant. A landlord may reasonably be given all the land which he requires for his own cultivation, but he should not be allowed to retain land as sir simply with the object of sub-letting it at a rack-rent. The tendency throughout the province is for the landlords to cultivate their *Khudkasht* (lands cultivated with their own labour and capital) and sub-let their sir. The increase in *Khudkasht* and sir is shown in the following table⁶:—

⁶ Compiled from the *Annual Reports of the Board of Revenue, United Provinces.*

Agra			Oudh		
Year	<i>Khudkasht</i> (acres)	<i>Sir</i> (acres)	Year	<i>Khudkasht</i> (acres)	<i>Sir</i> (acres)
			1921-22	..	4,22,673
			1922-23	3,09,722	4,29,562
			1923-24	3,27,218	4,69,128
			1924-25	3,32,144	5,05,253
			1925-26	3,49,022	5,33,825
1926-27	2,93,248	33,55,688	1926-27	3,54,864	5,38,959
1927-28	3,94,247	33,52,294	1927-28	3,63,249	5,52,314
1928-29	4,75,032	33,96,739	1928-29	3,67,418	5,53,205
1929-30	5,96,642	34,87,061	1929-30	3,75,172	5,84,868
1930-31	6,99,381	34,62,391	1930-31	3,88,636	5,97,334
1931-32	8,44,405	35,05,318	1931-32	4,05,845	6,10,778
1932-33	9,09,264	34,71,679	1932-33	4,11,871	6,07,612
1933-34	9,60,606	34,37,416	1933-34	4,06,963	6,06,114
1934-35	10,11,299	34,01,815	1934-35	4,06,956	6,15,876
1935-36	10,77,843	33,76,625	1935-36	4,08,900	6,13,458
1936-37	11,63,189	33,73,515	1936-37	4,26,370	6,11,597
1937-38	12,22,559	33,63,725	1937-38	3,43,747	6,17,059
1938-39	12,96,535	33,76,400	1938-39	3,67,278	6,34,483

Sir Provisions under the Act (1939)

An attempt has been made in the present Act to remove these defects. The basic principles underlying the Act are that (i) the area of sir should be reduced to a minimum; and (ii) sub-letting of sir should not be permitted. With this end in view the landlords of the province have been divided into two classes: (i) those assessed to a land revenue of Rs. 250 or less per annum (to be called hereafter the smaller landlords); and (ii) those who pay more than Rs. 250 annually as land revenue (to be called the larger landlords).

The reason for this differentiation in the sir right between the smaller and larger landlords is based on economic grounds. In the case of the smaller landlords the income which they derive from cultivation represents a far larger share in their total income than is the case with the larger landlords. In some cases, it is practically their only source of income. The case of the larger landlords is different. Their income from cultivation forms a comparatively small proportion of their total income and their economic position is based on their proprietary rights rather than on the rights to cultivate sir. The Act (1939) has made the following important changes in the rules regarding sir lands:—

(1) Sir acquired by larger landlords under the Agra Tenancy Act (1926) has ceased to be sir. This is a very important provision. It has rectified the fundamental defect of the sir provisions of the previous Acts under which the landlords acquired a larger area, not for the purpose of self-cultivation but for sub-letting.

(2) Sir of the smaller landlords acquired *before* or *after* the Agra Tenancy Act, (1926) or the Oudh Rent Act, (1921) shall continue to be sir under this Act. The object of this differentiation is that the smaller landlords need sir for purposes of genuine cultivation and not for sub-letting.

(3) Sir of the larger landlords acquired *before* the Agra Tenancy Act (1926) and the Oudh Rent Act (1921) which is not sub-let, whatever its area, continues to be sir under the present Act (1939).

(4) But if the total area of the sir (under clause
12

3 above) both cultivated by the landlord and sub-let, exceeds 50 acres, and the area which is sub-let does not exceed 50 acres, the whole of the self-cultivated sir, together with so much of the sir let out as would make 50 acres, would be sir under the Act.

(5) If the total sir area (under clause 3 above) both let and un-let is less than 50 acres, the whole of it shall be sir under the Act.

(6) There should be no further accrual of sir either in the case of larger or smaller landlords.

(7) Tenants who were cultivating sir lands under the previous Acts, but which has ceased to be sir under the Act (1939), shall acquire the right of hereditary tenants in such lands.

(8) If a landlord has Khudkasht land in addition to sir, the Khudkasht can be converted into sir area, provided hereditary rights are conferred upon tenants for an equal area of sir, who would otherwise be deprived of such rights under the 50 acres rule (clause 4 above).

The effects of the above provisions relating to the sir lands may briefly be summarised thus:—

(1) The sub-letting of sir has been put to an end. The tenant of sir was often rack-rented and had always a precarious existence. The conferment of hereditary rights over such lands has increased security of tenure and stabilised rents.

(2) The future accrual of sir has been stopped. This would mean an increase in the area cultivated by hereditary tenants.

(3) The distinction between the smaller and

larger landlords has strengthened the economic position of the former who are genuine agriculturists in a large number of cases.

(4) The restrictions imposed on the sub-letting and future accrual of sir rights would ultimately encourage landlords to take to agriculture. This would improve their economic position and stimulate agricultural improvements. Perhaps one of the most important reasons for the present backward condition of agriculture in India is that the landlords have not taken to agriculture as a profession. The application of larger resources and intelligence by landlords to agriculture would place it on a business footing. In the long run, the yield from agriculture would increase and it would not be a 'depressed industry'.

Determination and Modification of Rents

The Act has laid down definite and important rules for the determination of rents for hereditary and occupancy tenants. The rules for the remission of rents and revenue have also been given a statutory form in the sixth Schedule to the Act. The more important provisions regarding the determination and modification of rents will be described here.

When a tenant is admitted to the occupation of land, the initial rent may be agreed upon between him and his landlord. Rent once agreed upon, shall not be enhanced or abated unless:—

(1) A period of ten years, or such longer period as may have been decreed or ordered, has elapsed.

(2) The period of the Settlement of the local area in which the holding is situated has come to an end.

(3) The area of the tenant's holding has been increased by alluvion or decreased by diluvion.

(4) The productive powers of the land held by the tenant have been increased by fluvial action, or by an improvement effected by the landlord; or decreased by causes beyond control.

The Act further contemplates the fixation of standard rates to which all rents must, ultimately conform. The basis of such rates for hereditary and occupancy tenants are laid down in Section 110. The rent-rate officer in determining such rates shall take into consideration:—

(1) The level of rents paid by tenants who held or were admitted to land at different times, and in particular the level of rents agreed to by tenants who were admitted to holdings in or between the years 1309 and 1313 *Fasli*.

(2) The prices of agricultural produce prevailing at such times.

(3) Changes in the crops grown and in the amount of the produce.

(4) The value of the produce with a view to seeing that the valuation of the holdings of hereditary tenants at the proposed rates does not exceed one-fifth of such value.

(5) The expenses of cultivation, and the cost to the cultivator of maintaining himself and his family.

In Agra, the rates for occupancy tenants would be

framed on the basis of the rents actually paid. In Oudh the rates for occupancy tenants shall be two annas in the rupee less than the corresponding rates for hereditary tenants.

These standard rates shall be taken into consideration when the question of abatement, enhancement, or commutation of rent arises. The rent of tenants (with the exception of the permanent tenure-holders and fixed-rate tenants) is liable to abatement on one or more of the following grounds:—

(1) That the rent payable by the tenant is substantially greater than the rent calculated at the sanctioned rates appropriate to him.

(2) That the productive powers of the land have been decreased by an improvement made by the landlord or by any cause beyond the tenant's control during the currency of the present rent.

(3) That the area of his holding has been decreased by diluvion or by an encroachment or by the taking up of land for a public purpose.

(4) That the rent is liable to abatement on some ground specified in a lease, agreement, or decree which he holds.

The rent is, likewise, liable to enhancement on any of the following grounds:—

(1) That the rent payable by the tenant is substantially less than the rent calculated at the sanctioned rates appropriate to him.

(2) That the productive powers of the land held

The Court is also empowered to lease the holding for a maximum period of six years to any person who pays the amount outstanding in the decree.

The Act has allowed all the tenants (except non-occupancy) to sub-let for five years and to sub-let again after expiry of a period of three years. The landlord's right of acquisition has been restricted to five acres for a house, a garden, or a grove. The compensation payable for land so acquired has been increased. Regarding improvements the principal change in law is that the tenant or a sub-tenant has the right to construct on his holding a residential house or any other building serving agricultural purpose without the permission of the landlord. Hereditary tenants are given the right to make any improvement other than the construction of buildings in the immediate vicinity of their holdings or the construction of tanks.

Lessons from Agrarian Settlement in post-War Europe

Having briefly described the various changes brought about by the United Provinces Tenancy Act, (1939), we now pass on to a study of the lessons for India from the agrarian settlement in post-War Europe. Among the various social effects of the last Great War perhaps the most important, and certainly the least expected, was the downfall of the large class of landowners and the renaissance of the peasantry as a social group in Europe. This social revolution has been active throughout the Continent and marks the death-knell of landlordism there. The principle has penetrated

even into Great Britain—the last stronghold of 'landlordism'. The peasantry has been freed from feudal servitude not by paying one lump sum of money, as in previous reforms, to the landlord but by a wholesale process of expropriation forcibly imposed either by the State or revolution. This profound change in the status of the peasantry has been brought about by the alteration in the view which regards property not as a *subjective* right but as a *social function*.

Property was the foundation stone of the 'Natural Order' of the Physiocrats. Property was defended as the most sacred of rights. It was treated as a 'divine institution'. The American Constitution and the French Declaration of the Rights of Man both treated property as one of the fundamental rights which Government must protect. The great individualists from Locke to Turgot, Adam Smith, and Bentham, all reiterated in different languages that rights of property were absolute and unconditional. The *rationale* of private property was that a man must reap where he has sown. Adam Smith wrote in defence of offering protection to property. But he also expressed the view that property sometimes is merely the result of usurpation. The "Wealth of Nations" contains the sentence that "landlords, like other men, love to reap where they have never sowed." The angle of vision, however, has altered considerably during the last half century with regard to landownership. Increasingly, under the pressure of philosophical and political criticism, property has come to be regarded as a social function and not as

an absolute individual right.⁷ Under the stress of war conditions when every State curtailed the property rights of its citizens, even in the field of consumption by enacting sumptuary laws, whenever its needs were pressing, the new conception of property received a tacit and definite recognition.

The entire agrarian reform of the post-War period in Eastern Europe is based upon this new and progressive conception of property. The character of the reforms was mostly determined by the social needs of different countries. Three distinct types, however, are noticeable in the various reforms passed on the Continent. At one extreme is Russia, which has done away with large property with no compensation to the former owners. Then, in most of the countries bordering on Russia as well as Yugoslavia and Czechoslovakia the greater part of the large estates has been divided among the peasants—the former owners received compensation, but always less than the actual value of land. Finally, in Central and Western Europe—Austria, Hungary, Germany etc.—the reforms have merely aimed at facilitating the expansion of peasant farming. Land has been purchased by the State for the peasants at current prices and distributed among them according to a 'working norm'. The reforms everywhere mark the fall of the landlords and the triumphant emergence of the peasants.

The effects of these land reforms are full of signifi-

⁷ For an excellent discussion on this subject, see Tawney, R. H. *Acquisitive Society*.

cance. A mere description of their provisions would not suffice. We have to study the deeper implications of these changes.

Land is the chief national asset of a country. The Government, the landlords, and the cultivators are in different degrees the custodians of the national wealth. No one party can be allowed to remain a trustee and receive a remuneration without performing economic services for the advancement and development of national resources. A close examination of the changes in land-ownership during the last fifty years shows that land is passing more and more into the hands of rent-receivers and speculators. There has been a mushroom growth of absentee landlords who are not performing social and economic services commensurate with the profits which they receive from land. The evils of absenteeism, management by unsympathetic agents, rack-renting and sub-letting through a chain of inferior proprietors are present in varying degrees in most parts of the country. Tenants are often regarded as money investments. Landlords own property not as a means of work but as an instrument for the exercise of power or exploitation. This divorce of ownership from work must be removed and the landlords must be taught the obligations of ownership. It is thus only that the present features of agrarian unsettlement, which are undermining the foundations of the rural welfare, can be removed.

CHAPTER X

PROPRIETARY TENURES IN OUDH

Introductory

The origin and the nature of the development of private rights in land have, both in the East and West, been the subject of endless controversy. The Roman doctrine of private property based on occupation is held to be the common feature of primitive people. Thus Dr. Lewinski,¹ after a careful study of the economic life of primitive peoples, in the course of his lectures delivered at the London School of Economics (1913), falls back upon the Roman doctrine and draws two important conclusions, viz.—

- (i) that the individual ownership is the primitive and natural form of property; and
- (ii) that the Roman Law gives a correct idea of the way in which property is formed.

On the other hand, the Roman doctrine of property was rejected by Sir Henry Maine, who, basing his conclusions on his studies of the village communities in the East, believed in the communal theory of property. Sir Henry wrote that "the notion that an act of this description (i.e., acquiring property by occupancy) confers a title to *res nullius*, so far from being characteristic

¹ Dr. J. St. Lewinski, *The Origin of Property*, (1913), p. 31.

of very early societies, is in all probability the growth of a refined jurisprudence and of a settled condition of the laws."²

India is an outstanding example of this controversy. Whatever be the outcome of this controversy—which I do not propose to enter into here—it is an undisputed fact that the origin of land tenures and the growth of private rights in property in India have followed the course of development of village communities. Whatever may have been the historical process by which village communities had been established, the modern forms of land tenure, in some parts of the country at any rate, owe their origin to the political conditions of the times. The land tenures of Oudh amply prove this assertion.

Land Tenures are usually divided by European writers into proprietary and sub-proprietary. A sharp line of distinction is drawn between zamindari and non-zamindari, i.e., between full-proprietorship on one hand and all other subordinate rights on the other. Private rights in land were always recognized both by the Hindu and Mohammadan rulers. On this vexed question the Indian Taxation Enquiry Committee was unanimously of the opinion that, under both Hindu and Muhammadan rule, the State never claimed absolute or exclusive ownership of land and definitely recognized the existence of private property in it. The British have also recognized proprietary rights in India. There are, how-

² Sir Henry Maine: *Ancient Law*, (10th edition), p. 268.

ever, differences of opinion on this point. The Taxation Committee (1925) after exhaustively examining the subject was unanimous in its opinion that in the case of land under the Permanent Settlement the Government has no proprietary rights. In the case of temporarily settled districts the Committee were divided in opinion, but they were in agreement that the zamindars and ryots possess certain proprietary rights subject to the payment of land revenue.³ The controversy is capable of being argued at almost any length but the zamindar's interest in land, even in the temporarily settled districts of the Agra Province, has never fallen short of the *dominium* of Roman Law, which included *usus*, *fructus*, *abusus*, and *vindicatio* or the right of use, of enjoyment of produce, of disposal or alienation, and of recovery by legal means in case of dispossession.⁴ In the case of the Talukdars there is no room for doubt on the subject of private proprietary rights. They have their *sanads* (i.e., patent rights) in which full proprietary rights have been granted.

Proprietary Tenures—Origin of Talukdari

Proprietary tenures are commonly divided into three classes:—

- (i) Talukdari.
- (ii) Zamindari.
- (iii) Pattidari.

³ The Taxation Enquiry Committee (1924-5), par. 83.

⁴ The term *zamindar* (landlord) is used here in a broad sense, e.g., it includes the various under-proprietors. *Ryots* is taken to mean *actual cultivators*.

Before the annexation of Oudh and the grant of sanads to the Talukdars by the British there was no legal distinction between the Talukdari tenure and Zamindari tenure. Estates lay intermixed with each other. Some received one denomination, the rest were known by the other name. There was no essential difference in the status of the two. After the Mutiny (1857) the Talukdars received a distinctive superior status which has no parallel in any part of India.⁵

Two extreme theories have been enunciated regarding the origin of the Talukdari tenure. The patriarchal theory divides Talukdars into two classes, *pure* and *impure*, to the former belong the descendants of the ancestral proprietors, to the latter officials, court favourites, contractors of revenue and bankers, who had acquired power and property during the period of the Nawabi rule. The patriarchal theory is thus described by a writer in the *Calcutta Review* in the following passage:—

Talooks have been appropriately divided into two classes, the *pure* and *impure*. To the invasions of the Rajputs (a little prior to the middle of the twelfth century), Mr. Thompson traces the foundation of the existing proprietary rights in land. The descendants of each chief, he tells, multiplied till at length in some instances they displaced all other occupants of the land, or at least assumed all the proprietary privileges. The

⁵ The Oudh Estates Act, (Act I of 1869), defines their privileges. Some of these privileges are not even enjoyed by the zamindars of the Permanent Settlement.

members, he adds, were numerous, and each territorial sub-division was marked by the prevalence of its own stock. These all trace their origin to a single person who first acquired the country.

Those whom we now call the *pure* talukdars, are the chiefs descended from the leaders above referred to. They may be the legal successors in a direct line of the original settler, or they may have sprung from a junior branch raised to power by favour, ability, or the voice of the tribe; but, of this there can be no doubt, that these feudal lords, whom we find in possession are the hereditary chiefs of important tribes, whose position in the eyes of the people had become hallowed by the memory of an extreme and not inglorious antiquity. Whenever, thus, we meet with a dominant class of Rajputs with one or more acknowledged chiefs at its head, we may rest assured that these have one or more estates which had their origin in a *pure* taluka.

But instances will be found, not infrequently, where large proprietors have arisen at a more recent period through the influence of official position, or by favour of the ruling power. Such estates have been designated *impure* talukas and they are to be recognized by the general absence of clansmen, and by the traceability of the origin of the tenure. Even such talukas as these, however, will also be found to be surrounded by the reverence due to the prescription of age.⁶

⁶ *Calcutta Review*, June, 1866. *The Talukdari Tenure of Upper India*, quoted in *Sultanpur Settlement Report*, (1873), p. 63.

The opposite theory is explained by Mr. Benett in the *Family History of Chief Clans of the Rai Bareilly District*. Mr. Benett observes:

The division of the class into *true* and *false* talukdars, puts the matter in a wrong light. As a matter of fact, all were exactly the same in as far as they were Talukdars, middlemen put in by or forced on the Government, superintendents of arbitrary collections of villages, who as the central power grew weaker, were being gradually and surely transformed into landed proprietors. What has been called a true Talukdar differs from what has been called a false Talukdar, only in the fact that while the former had been for centuries exercising an *imperium in imperio* on the spot, the latter was an outsider whose fortune, talents, or wealth had secured him the position. Both were alike in being Talukdars, though they differed in every other particular. They included in their ranks representatives of every class of men; powerful but *parvenu nazims*; the descendants of twenty rajas who have successively ruled with semi-regal power over tracts as large as an English County; extortionate usurers; the old village revenue officials whose ancestors had been established by Akbar or Ibrahim Sharki, the menials of the King's stable and garden, and the Kayasth, who pillaged his treasury and robbed his subject, all struggled for a place in the new aristocracy. It must never be forgotten that the root of their fresh growth was laid in the old Hindu clan organization, and the whole movement was in fact nothing else than the reaction of the natives against their

Mohammadan conquerors. The seeds of the Hindu social system never lost their vitality and asserted it over and over again in every part of India on every occasion when Moslem powers showed any trace of weakness.⁷

The former of these views implies that the *pure* Taluqdari tenure is associated with the ideas of chiefship of a clan, acquisition by conquest and possession of an estate for several centuries; the latter on the contrary lays down that none of these conditions is essential to constitute a Taluka. Mr. Benett thinks that they came into existence within the last hundred years. The distinction of Talukas between *pure* and *impure* points to the important distinction between estates of recent mushroom growth, and old estates, hallowed by time. The rise of these *impure* Talukas corresponds to the foundation of the Nawabi dynasty and forms an epoch in the history of land tenures in this province.

During the rule of Nawab Sujahood-Dowlah, the lands in Oudh were generally of two descriptions, viz., the *Kbalsa* or Crown lands and *Huzoor Tehsil* lands, or those for which the holders paid their revenue direct into the Huzoor Tehsil or Nawabi Treasury. The extravagance and supineness of Oudh rulers soon introduced a change in the collection of revenue which is mainly responsible for the growth of a body of 'impure' Talukdars during the Nawabi dynasty. To rid themselves of the trouble of making the revenue collections, the system of farming out tracts of country to influential

⁷ *Family History of the Chief Clans of the Rai Bareilly District* by W. C. Benett, I.C.S., par. 87.

persons was introduced. This was the *Izarah*, *Mustajiri* or contract system under which a powerful landholder class was created which later on assumed the title of Talukdar. This system was tried from time to time under different Oudh rulers but with the greatest degree of success under Saadat Ali, the sixth Nawab of Oudh. Between the years 1798-1814 Saadat Ali kept a careful watch over the *Chakladars* and the growth of these Talukdars received a set-back in his time. After the death of this great ruler there commenced a reign of "change and encroachment under an arbitrary and lawless administration" and such estates increased with rapidity and vigour. His weak successors found the control of the individual chakladars too much for them and resorted therefore to the easier method of farming out the collection of revenue in each *chakla* to the highest bidder. The revenue farmers, backed by the armed forces of the Government, cared for nothing but to collect a high revenue, and so small landholders and the members of impoverished communities under the pressure of continually increasing taxation, resigned their power to a few large land-owners so that the village became incorporated with a Taluka. In this manner originated such Talukdars as those of Shahganj and Pirpur in Fyzabad District. "Of the gigantic strides by which territorial aggrandisement was capable of proceeding during this period," writes Mr. Millett in the *Sultanpur Settlement Report*, "no better example could be desired than that of the Amethi estate." As an interesting illustration of the way in which property

changed hands during that period the Settlement Officer narrates the story of Maharajah Man Singh, Nazim of Sultanpur. The proprietors of ten villages (unconnected with each other) fell into arrears. Man Singh threw them into confinement and asked them to execute deeds of sale in his favour, but the coveted spoil lay inconveniently far from his estate. The difficulty was not insuperable, however; Man Singh's estates lay sufficiently close to the northern portion of that of Kurwar near the southern extremity of which the villages in question lay. They were accordingly handed over to the Rajah of Kurwar, who in turn made over to Man Singh an equal number of villages in a more eligible position.⁸

The modern history of the Talukdars dates after the annexation of Oudh.⁹ For their help during the Mutiny and the re-establishment of authority, soon after the pacification of the province, the Talukdars were presented with sanads (patents) by which they were declared to possess permanent, heritable, and transferable rights, with the special power of alienation, either in lifetime or by will, notwithstanding the limits by the Hindu or Mohammadan Law. This status has no analogy in the rest of India. The Oudh Estates Act (Act I of 1869) is a *Magna Charta* for them collectively.

Nowhere in the whole land history of India can a

⁸ *Settlement Report of Sultanpur*, (1873), pp. 67-68.

⁹ See Chapter VII for the modern history of Talukdars and their rights.

better example be found of how the fate of millions of people is bound up with the political upheavals in the country. In 1856 the Government issued instructions to settle with the actual proprietors. In 1858 the Government, entirely for political considerations, subordinated and sacrificed the interests of the millions to the interests of the few. The historian of the land problems of India must always take into consideration the changes in the political machinery of the country and their reactions on the land systems of the country. Much of the confusion and misunderstanding in the study of the origin and development of the different systems of land tenure is due to the failure to recognize the influence of political causes. The origin of property, the development of village communities, and land systems are all closely knit together with the changes in the systems of Government.

Zamindari

From the Talukdari tenure we pass on to the Zamindari tenures. As noted previously, before the British occupation of Oudh there was no essential distinction between the rights and liabilities of these two classes of tenure-holders. The internal economy of the estates was originally based on the zamindari type of tenure. The common management of irrigation channels, the common management of village functionaries and artisans, the common grazing grounds, all testify to the existence of community of property, involved in the

zamindari tenure.¹⁰

Zamindari tenures are those in which the entire village land is either owned by a single landlord or a body of co-sharers, who may represent a group of ancestrally connected families. The individual landlord seldom cultivates the land himself. The co-sharers may sometimes cultivate the land. In the United Provinces, generally speaking, where the influence of the Moghul rule was very great, the co-sharing families consist of non-agricultural castes, which on account of caste rules, are prohibited from touching the plough.¹¹ Thus the zamindari tenure established by families of ruling races, officials, revenue farmers, traders and capitalists divided the agricultural community into two classes—cultivating and non-cultivating, the former representing a tenant body older than the land-holding group.

The internal economy and the responsibility for the payment of land revenue was different in the vill-

¹⁰ In Northern India, even today, when the produce is raised from a field, the village functionaries, e.g., blacksmith, carpenter, potter, sweeper, cobbler and chowkidar (village watchman), receive a share from the *common heap*, besides cash payments which are of recent development. These functionaries used to perform free services to the villagers. They were supported from the common fund called *malba*. They also received presents, in cash and kind, on marriages, deaths and festivals.

Moreover, the wells, tanks, irrigation channels, roads and guest-houses were all constructed and maintained from the common fund contributed by the villagers.

¹¹ e.g., the Brahmins are prohibited by the caste rules from touching a plough.

ages owned by a body of co-sharers as compared with the villages owned by a single landlord. In the former case the whole body was jointly and severally responsible for the payment of the Government revenue. The Government revenue and other liabilities were paid out of the rents received from the cultivating classes and the remainder was divided among the several partners according to their shares. Where, however, the zamindari tenure consisted of a single individual landlord, there was no division of income. The members of the family received maintenance and the whole income was administered by the head of the family.

Pattidari—Perfect and Imperfect

Pattidari tenures were those tenures in which the lands were divided and held in severalty by the different proprietors. Each *pattidar* managed his own land and paid his fixed share of the Government revenue. The whole body, however, was jointly responsible in the event of any one sharer being unable to fulfil the engagement. *Imperfect Pattidari* tenures were those in which part of the land was held in common and part in severalty, the profits from the land held in common were first appropriated to the payment of the Government revenue and the village expenses. The surplus was distributed as profits among different co-sharers and the deficiency was made up by a rate on the several holdings.

But after a certain stage *pattidari* form of tenure began to show signs of disruption. The first step towards this dissolution was perhaps the cultivation and separation

of sir¹² land by each individual co-parcener. This was the thin end of the wedge and ultimately resulted in the separation of property and in imperfect pattidari. For some time the sir holders paid the full rent of the lands cultivated by them, receiving back the profits due to their share. But as the number of the co-parceners increased the aggregate area of sir land also increased and the *shamliat* (i.e., common) lands failed to suffice for the payment of the reveune, so that what they paid as rent of sir land they received back as profits. This roundabout way of doing business was stopped and the method was devised whereby the shamliat lands were left as the common property in the hands of the leader of the village for the discharge of the payment of land revenue, in case of any deficiency in the revenue demand it was to be met with by levying a rate on each co-parcener on his sir. Thus the zamindari tenure merged into the *imperfect pattidari*. A stage arrived later on when each co-parcener even demanded a partition of the shamliat lands in which case *imperfect pattidari* led to *perfect pattidari*.¹³

Under-Proprietary Tenures.

Under this head come some of the most difficult questions which arose in the Settlement of Oudh. Under-proprietary rights were unfamiliar to an English mind. In Oudh under-proprietors existed not only in

¹² Sir (i.e., home-farm) land is important in the United Provinces of Agra and Oudh.

¹³ See *Sultanpur Settlement Report*, (1873), p. 69.

unusual varieties and kinds, but also possessing unusual strength. After the re-occupation of the province the Government, while granting Sanads to the Talukdars, announced its intention to "take effectual steps to re-establish and maintain in subordination to them the former rights as there existed in 1855, of other persons whose connection with the soil is in many cases more intimate and more ancient than theirs." It was further declared that "the only effectual protection which the Government can extend to these inferior holders is to define and record their rights and to limit the demand of the Talukdars as against such persons."¹⁴

Sub-Settlement

In fulfilment of these promises two important rights, among various others, were recognised, i.e., the right of a *sub-settlement* and the right of *sir*. The most prominent was the right of sub-settlement in which an entire village, though included in a Taluka and held in subordination to it, retained distinctive signs of individual proprietary character. The owners of such villages had prevented the destruction of their proprietary rights, and had intercepted a substantial portion of the profits. The few lucky people who were entitled to sub-settlement, after a prolonged correspondence in which Sir Charles Wingfield was the champion of the cause of the Talukdars, were required to pay

¹⁴ The rights of the under-proprietors are discussed in Chapter VI.

in no case more than 75 per cent of gross rental¹⁵ to a Talukdar and the only condition imposed upon them was that their payments must be regular and punctual.

Under-Proprietary Rights

Under-proprietary rights differ in different parts of Oudh. The most prominent being:—

- (i) *Dibadari*.
- (ii) *Nankar*.
- (iii) *Sir*.
- (iv) *Birt*.
- (v) *Sanklap*.
- (vi) *Jagir and Mafi* (free grants).
- (vii) *Marwat*.

The origin of these under-proprietary rights was due to various causes, e.g., *Dibadari* and *Nankar* were granted for the support of the out-going proprietors,¹⁶ the former in the form of property, the latter in the shape of annual income. *Sir* land (home-farm) was invariably granted for the support of petty out-going proprietors as a mark of proprietary position. The character of such lands, however, has changed under British rule. A zamindar continuously cultivating the same land through his own labour and capital for a period of twelve years acquired the right of *sir*. *Birt* (sale of crown lands) tenures mostly represent the under-proprietary rights created through the sale of Crown

¹⁵ i.e., the total amount realized.

¹⁶ i.e., the former proprietors who lost their property due to various causes, e.g., sale or voluntary transfer. See the account of *Dibadar* and *Nankar*.

lands. *Sanklap* grants were always created for religious motives and represent payments in land to Brahminical classes for the purification of the soul of the grantee.¹⁷ *Free grants* were created for the personal service of Kings or their Chiefs. *Marwat* grant was a sub-proprietary tenure created for support of the family of a man slain in battle. A brief account of each of these forms of under-proprietary right is given in the following pages.

Dibdari

It was a common practice under Indian rule that when property was transferred by sale or even by voluntary transfer to some neighbouring Talukdar to escape the exactions of a Nazim (tax-gatherer), the purchaser assigned a portion of the property (not income) in perpetuity to the former proprietor for his subsistence. This grant of land is known as *Dibdari* or *Didari*. The assignment was sometimes a fixed proportion of the property. More often the assignment was made without reference to any specific share. Such tenure was generally conferred in writing and the under-proprietors enjoyed all village privileges and dues. The grants were at the outset always rent-free. Then, in some cases, however, a low quit rent was subsequently charged. Their rents are still below the Government demand.¹⁸

¹⁷ Land, gold and cows even to this day are given to Brahmins to keep the soul of the dead in peace.

¹⁸ *Fyzabad Settlement Report*, (1878), pp. 79-80.

Nankar

It was a deduction from the recorded rental allowed by Muslim rulers for the revenue-farmer's maintenance. Where a large estate was concerned, it often took the form of a revenue-free village. When the *nankar* holders' villages were included in a *Taluka*, they became under-proprietors. During the reign of Asaf-ud-daula *nankar* allowances became very common and the State suffered heavy losses. The main object of *nankar* allowances was to win the support of landholders.

Sir

Sir lands may originate in various ways. It was a frequent practice for landholders to exempt some land from assessment of revenue in the case of certain individuals. Such lands came to be known as *sir* lands. But *sir* is, in most cases, the appendage of proprietorship, the lands forming the home-farm of a proprietor. *Sir* lands, as we have seen in the origin of imperfect *pattidari*, were cultivated by the co-parceners themselves. Sometimes *sir* lands were also assigned to junior branches of a family for their support, instead of breaking up the estate, in lieu of their share in the ancestral property. Another important way in which *sir* originated was when the villages of the proprietary communities were merged in *Talukdars*, voluntarily or in self-defence, and the communities, however, retained certain rights and advantages in their home-farms. Lastly, when old proprietors parted with their estate whether by sale or otherwise, without any reservation as to lands retained

for their support (as was in *dibdari*), it was customary for the new proprietor to leave them in possession of the land tilled with their own ploughs as a mark of proprietary position. The lands ordinarily do not lie within a ring fence, but are scattered over the village area. They might be rent free in some case, but ordinarily a low rate was charged. *Sir* is often regarded as synonymous with *Kbudkasht* or land cultivated by the zamindar with his own labour and capital. But it need not be like this. Ex-proprietors and zamindars are often found cultivating lands other than their *sir* proper. *Sir* lands are sublet to tenants-at-will (i.e., those who do not possess occupancy rights) to realise higher rent. Hence it is an erroneous idea to suppose that *sir* lands are the best lands in the village or they constitute the home-farm of the land-holders.¹⁹

Birt:

Birt involves "sale or gift of proprietary rights within definite limits."²⁰ *Birt* is of two kinds—purchased and unpurchased. *Bai* (purchased) *birt* is a *birt* granted for money received and is held in all points a full-proprietary right subordinate to the Talukdar on certain conditions, as, for example, the payment of rent. *Birt* sometimes was a grant made by a Hindu raja or Governor in favour of Brahmins and it was originally of a religious character. Such *birts* conferred by favour were liable to resumption at the will of the rajah.

¹⁹ See *Fyzabad Settlement Report*, (1878), p. 89.

²⁰ See *Gonda Settlement Report*, (1878), p. 49.

Sankalp (i.e., Vow)

Sankalp primarily signifies a religious vow and applied to tenures means land devoted to religious purposes and bears a close resemblance to the *Wakf* of Mohammadan Law and grants of lands to the Church in Europe during the Middle Ages. This was the exclusive character of *sankalp* in its beginning. Later on, when the Brahmins left their priestly character and acquired the role of money-lenders, the original nature of the terms began to be lost sight of and a loan of money by the recipient became a common feature of such secular transactions. The force of the religious character was, however, kept up and the money transaction was omitted in the deed to show that the grant was made from religious motives for the spiritual welfare of the grantee. Yet another object in the creation of a *sankalp* grant was the reclamation of waste jungle. Brahmins were found with sufficient capital to pay a small price for such lands and to meet the cost of clearance and tillage.

Free Grants

These are known by various denominations, *Jagir* and *Mafi* being the best known. All these forms of tenure are free grants of considerable antiquity, differing only in minor points. The *Jagir* is connected with the performance of some service and was a royal grant conferred alike on the highest subjects and the pettiest landholder. It was in a large number of cases granted as a fitting reward for distinguished military service

either to the man himself or in case of his death, for the maintenance of his family. Jagirs vary considerably in size from several villages to hardly an acre. The Jagir originally was a personal grant, but, as under Indian rule the son often succeeded to the post of the father, it had a tendency to become hereditary. *Mafi* (i.e., free grant) is a very wide term and includes grants of land given by whomsoever free of rent and revenue.

In Oudh nearly all these free grants are found in the districts of Rai Bareilly and Bahraich, the persons are mainly Punjabis who were given estates in reward for their services during the Mutiny. The grants vary in size from the 400 villages bestowed on the Maharajah of Kapurthala to 3 or 4 villages conferred to Sikh grantees in Rai Bareilly. The rights and liabilities of these grantees are in every respect identical with those of a Talukdar; Act I of 1869 being the Statute by which their status and rights are clearly defined.

Marwat

Lastly, there is the interesting form of an under-proprietary right granted to the family of a man slain in battle for the Talukdar which is called *marwat*. The Talukdar, when he was a military chief, not only paid his soldiers, but was also responsible for the maintenance of his family in case the soldier died in battle for him. Judicially, it has been held that a *marwat* grant is not an under-proprietary holding. But the grant is heritable.

Summary and Conclusion

The conclusions at which we have arrived from this detailed study of the land tenures in Oudh may briefly be summarised thus:—

- (1) Private rights in land were always recognized both by the Hindu and Mohamadan rulers.
- (2) The British have also, subject to some limitations, recognized private property rights in land.
- (3) The origin of the modern Taluqdari tenure is entirely due to the political exigencies of the time.
- (4) The under-proprietary tenures, created for various purposes, point to the existence of various gradations of interest in land.

What light, may it be asked, is thrown by this investigation on the general problem of land tenures.

The agrarian history of India closely reflects the tendencies which worked on the Continent during the feudal period. The rise and growth of the Talukdars and zamindars correspond to the growth of the French nobility before the French Revolution. The same political tendencies which created the French landed aristocracy created the Indian Talukdar. It is, however, a mistake to suppose that the British have created the Talukdar and the Zamindar. They existed during the Moghul days as the farming of revenue was a common method of raising revenues by the Moghul rulers. With

the coming of British rule and the establishment of *Pax Britannica* their position has been legalised and confirmed.

To sum up, the under-proprietary tenures are not peculiar to India. They were established, though varying in nature, under feudalism. Professor Antonio De Viti De Marco thus describes their establishment:

With the establishment of feudalism...the proprietors of freehold land, or allodium, on which they owed the tax or public *census*, when the security of their occupation was threatened by the barons, by the great proprietors, and even by the functionaries of the King, had recourse to the expedient of selling the free lands to these various trouble-makers in order to buy back their protection, with the understanding that the former proprietors would get the lands back as feudal concessions. Thus the public *census* was in fact transformed into, or became merged with, the private *census*.²¹

The above quotation from Professor De Viti clearly shows that the growth of under-proprietary rights in India was practically on the same lines as it was on the Continent of Europe.

Finally, the historian of the land system in India, to account for the origin, growth, and structure of land tenures, must take into consideration the influence of social and political causes.

²¹ Antonio De Viti De Marco, *First Principles of Public Finance*, p. 66 (Cape, 1936).

CHAPTER XI

RENTS, REVENUE, AND PRICES

The Political Chaos

Land policy during the last ten years (1930-40) has been profoundly influenced by the Congress activities; almost every important act turns upon the conflict between the policies of the Government and the Congress. This is not to say that the troubles of these years are to be ascribed to the wickedness of the Congress or to the folly of the Government which was responsible for maintaining law and order in the province. The problems of land policy arose mainly on account of the unprecedented fall in the price of agricultural products. The agricultural depression was world-wide and no country escaped from its effects. But in India, the depression took a different shape because the fall in prices coincided with a period of political unrest. It was difficult to separate the agrarian issue entirely from the question of civil disobedience.¹ Here is the clue to

¹ 'We wanted, at any rate in 1931, to consider it from the economic plane only, divorced from the political. This was difficult, as the two were anyhow intimately connected, and in the past had been closely associated. We, as a Congress organisation, were also definitely political. For the moment we tried to function as a kind of Peasants' Union but we could not and did not desire to give up our political character, and the Government looked upon everything we did as political.' Nehru, Jawaharlal, *An Autobiography*. (John Lane, The Bodley Head, London, 1936) pp. 298-299.

some of the difficulties of the period. The connection between the revenue policy, fall in agricultural prices, and political discontent was nowhere in India, with the probable exception of Gujerat (the native place of Mahatma Gandhi), more pronounced than in the United Provinces. The province was the chief centre of political agitation and the suffering among the peasantry was the acutest in this province. It is desirable to give here a brief account of the political activities of the period and their repercussions on land policy.

Genesis of the Kisan Sabhas

Political agitation of an extremist type was started after the Reforms of 1919. The Congress threw its weight definitely against British rule and the criticism of British policy became more and more bitter. Political agitation, in the shape of the Non-co-operation Movement, was not limited to the well-organised campaign for the boycott of the Council election (1921), but was also spread among the cultivators.

In the previous Chapters we have mentioned that the relations of the landlords with their tenants were not of a harmonious nature. There was a persistent demand on the part of the peasantry for a greater security of tenure and fair rents. The system of taking *nazrana*, illegal ejection, concealment of rentals, and many other abuses of peasant problem were coming more into prominence.

The problem was more serious in Oudh than in

Agra because the practice of taking *nazrana* was more common there. The agrarian agitation in Oudh began with the *Kisan Sabha* movement in the autumn of 1920. Starting in the district of Partabgarh the movement spread into Rae Bareilly and Fyzabad districts. Originally the idea of the Kisan Sabha movement was to fight against the abuse of power by the Talukdars. The agitation, wrote a Commissioner of the Fyzabad division, began in Partabgarh with a genuine agitation of the tenants against cesses which they considered not only burdensome but illegal, and ended in a general demand for protection against arbitrary ejection by which alone the levy of such *nazrana* is sustained. In this district, at any rate in the first instance, it was a movement of tenants for the amendment of the law.²

Unfortunately, the movement lacked proper guidance and instead of remaining a purely tenants' association for economic welfare it took a political colour and collapsed after a short life.

The grievances of the peasantry, however, took a serious shape and agrarian rioting broke out in Rae Bareilly and Fyzabad in 1921. In Rae Bareilly on January 2nd and 3rd, 1921, some crops and property of the landholders were destroyed; on January 5 a landlord's house was besieged by 3,000 cultivators and labourers. In Fyzabad 30 villages and a bazaar were looted on the 13th and 14th January, 1921. Such disturbances occurred in Meerut, Aligarh and various

² V. *Administration Report of the United Provinces, 1921-22*, p. xvi.

other districts as well. The situation in some cases, could only be brought under control by firing.

The Government, to relieve the chief grievances of the tenants, promptly introduced the Oudh Rent (Amendment) Bill on August 4, 1921. The main changes introduced by the Act have already been noticed. The Act, to some extent, pacified the peasantry.

Eka Movement

Meanwhile, the *Eka* (Unity) movement was started in Malihabad tehsil of the Lucknow district (1921). It was a revival of the Kisan Sabha under another name. The objects of the *Eka* movement were: (i) not to pay more than the recorded rent; (ii) to insist on receipts of the rents paid; and (iii) not to pay *nazrana* or to do *begar* (forced labour). The movement for some time assumed a formidable aspect in the districts of Sitapur, Lucknow, and Hardoi, but again due to lack of organisation and proper leadership declined.

No-rent Campaign (1931-32)

To complete our account of this aspect of the problem let us turn to the events during the great depression. Political agitation among the masses was started soon after the appointment of the Indian Statutory Commission (1930). The Congress started the Civil Disobedience Movement. To Mahatma Gandhi the movement was a spiritual exercise and was regarded by

him as the most convenient way by which the people could express their dissatisfaction against the activities of the Government. Civil disobedience came along with a denunciation of land policy and the new doctrine of no-rent campaign spread like wild fire. During the month of January 1931, the activities of the Congress were chiefly directed towards the no-rent campaign. These activities resulted in serious clashes between the landlord and peasantry, and the suffering among the peasantry, in some cases, was very great.

Happily, on account of the peace loving policy of Lord Irwin (now Lord Halifax), the political unrest was brought to an end, and the Irwin-Gandhi pact was signed at Delhi in the spring of 1931. Perhaps no Viceroy during recent times had the same firm conviction as Lord Irwin that it is the duty of the Englishman in India to do his utmost to fulfil political pledges and help India in attaining political independence. His policy will stand out as one of the happiest episodes in the history of British connection with India.

Soon after the Delhi Pact the United Provinces Government announced the grant of extensive remissions in revenue and rent amounting to Rs. 109.41 and Rs. 411.5 lakhs respectively. But these remissions were thought inadequate to mitigate the suffering of the people. Dissatisfaction was expressed from various quarters. The machinery of coercion, legal as well as illegal, was set in motion. Ejectment suits in thousands were decreed. Tension grew. Events moved faster. The chances of a compromise between the

Congress and the Government became remote, because each was suspicious of the other. On both sides there was the feeling of the inevitability of an approaching conflict and there seemed no reality behind the negotiations. Every step taken by either party seemed to indicate a desire to manoeuvre for a position.³ On November 18, 1931, the Allahabad District Congress Committee decided to advise the tenants to withhold payments of rent and revenue. Thus again the no-rent campaign which had come to an end with the conclusion of Irwin-Gandhi Pact was restarted. On December 14, 1931, Pt. Jawaharlal Nehru was arrested. Mahatma Gandhi was still in England, attending Round Table Conference. After his return from there, he found the situation completely changed and out of his control. He also was arrested and the period of suffering began afresh.

In the next section, we examine the correlation between rents, revenue and prices. Incidentally, we shall point out the repercussions of the political chaos on the peasantry. Finally, the necessity, constitution and the functions of the *Kisan Sabhas* will be discussed.

'Sectional' Price-levels

Money is valued for its purchasing power. Thus changes in the value of money, i.e., price-level, produce vast social consequences because changes in the value of money do *not* affect all sections of society in the same

³ See Jawaharlal Nehru, *An Autobiography*, (1936), p. 311.

way. We shall not here, however, consider the value of money and its reciprocal influence on the general level of prices. We need only study 'sectional price-levels' of agricultural produce and their influence on rents and revenue.

Correlation between Rents, Revenue and Prices

An examination of the figures of rents, revenue and prices (1901-37) shows that there is no direct correlation between them. Land Revenue is fixed during the currency of a Settlement. No doubt at the time of a Settlement movements of prices are taken into consideration in fixing the future demand. Nevertheless, fluctuations in price-levels disappoint expectation. The index number of the revenue demand, as will appear from statement No. A (in the Appendix) has continuously, though slowly, increased and in 1936 stood at 13 per cent above the basic period 1901-5.

The index number of the rents of the stable tenants moved at a slower pace than that of ordinary, the former in 1936 stood at 120 and the latter at 160 as compared with 1901-5.

Prices have shown more violent fluctuation than either rents or revenue. The index number of wholesale prices of agricultural products has shown a marked continuous increase upto 260, the increase being most marked during 1918, 1919, 1920, 1921 and 1922 when the index number as compared with that of 1901-5 stood at 200, 258, 243, 258 and 236 respectively.

During the depression prices fell heavily and the

index number of wholesale agricultural prices (base-period being 1901-5) stood at 112, 119, 114, 103 and 122 in 1931, 1932, 1933, 1934 and 1935 respectively.

From the above figures it appears that during the boom years, when the value of money had depreciated, the cultivators gained as they got a higher price for their products. The landlords, though their revenue demand was fixed, were not much affected as their incomes were free from some taxes, e.g., income-tax or Excess Profits Duty, which persons receiving income from non-agricultural sources had to pay. In a way they really gained as the capital value of their property had considerably increased. Conversely, during the depression years the cultivators were perhaps the heaviest sufferers as the value of their products had fallen very low.

The conclusion from the above facts is important. As the land revenue demand is rigidly fixed over long intervals of time (and rents are also fixed, though they are enhanced during the currency of a Settlement) violent fluctuations of prices affect the land revenue system. Excessive fluctuations of price levels (rising or falling) favourably or adversely affect the divergent interests of the Government, the landlords or cultivators in different degrees. Both cause vast changes in the distribution of wealth. Rising prices lead to heavier taxation on the non-agricultural sections of the community. Falling prices inflict injuries on the cultivating classes. Of the two evils the worse, in a poor agricultural country, is a fall in prices.

How to easily adjust the effects of the changes in prices levels in the rigid land revenue system of the country? The answer to this and other allied questions would be sought in the pages following.

Fall in Agricultural Prices.

The fall in the prices of agricultural produce in the province started in April, 1930. It was slow in the beginning and it was not until December of 1930 that the fall became remarkable. Taking wheat as a representative of other agricultural products, we may notice that the price fell from 7 *seers* 5 *chataks* to the rupee in October 1929 to 9 *seers* in April 1930 and 15 *seers* 5 *chataks* in December, 1930. The prices of most of the agricultural products reached their lowest figure in the summer of 1931 and in June (1931) wheat was sold 18 *seers* 5 *chataks* to the rupee.

The course of prices since July 1928 is given in the following tables:⁴

⁴ *Administration Report of the United Provinces, 1929-30*, p. xix.

Month		Year	Wheat	Barley	Grain	Rice
July ..	..	1928	6.91	10.95	8.82	5.40
December ..	..	1928	5.63	6.99	6.47	5.02
July ..	..	1929	7.25	9.50	7.75	4.75
December ..	..	1929	7.25	10.25	7.25	5.25
July ..	..	1930	11.50	10.73	11.16	6.45
December ..	..	1930	15.14	20.04	15.34	10.23
May ..	..	1931	17.00	25.04	15.34	10.23

The course of prices during 1932 and 1933 is given in the following tables:

1932⁵

Month		Year	Wheat	Barley	Grain	Rice
January ..	..	1932	11.75	20.00	17.00	9.00
April ..	..	1932	15.00	20.00	20.00	8.50
June (first half)			12.00	17.00	17.00	8.00
October ..	..	1932	11.03	15.33	14.43	9.29

1933⁶

Month		Year	Wheat	Barley	Grain	Rice
January ..	..	1933	9.50	15.00	14.75	9.00
April ..	..	1933	13.50	19.00	17.50	8.75
June ..	..	1933	12.50	16.50	15.75	9.50
October ..	..	1933	14.31	20.30	17.14	10.70
December ..	..	1933	14.87	21.40	17.56	11.12

Measures adopted by the Government

The continued low prices of agricultural products

⁵ *Administration Report of the United Provinces, 1931-32*, p. xx.

⁶ *Ibid.*, 1932-33, p. xxi.

attracted the attention of the Government and the Congress. The Government in the summer of 1931 appointed a Rent and Revenue Committee to recommend measures to alleviate the distress among the peasantry. The recommendations of the Committee are divided into two parts: (i) Measures relating to rent and (ii) Measures relating to revenue.

Regarding rents the Committee recommended that as prices had fallen to a level approximately as low as that of 1901, the general rental incidence was to be so reduced as to correspond with that of 1901. But in the adjustment there was one difficulty. While the rents of some of the tenants had been more than doubled since 1901, in other cases, the enhancement was small or not so marked. Thus in equity it became essential to differentiate between the various classes of tenants. Hence, the general incidence of the rents of each class of tenants in each village in 1931 was compared with the incidence of rents of the corresponding class in 1901. In some cases the incidence of the rents of 1901 had been raised by a small percentage due to improvements in irrigation or some other factors of a like nature. The difference between the incidence of 1931 and the incidence, amended where necessary, of 1901 was then reduced to a fraction of the former incidence, and the rent of each tenant in that class was reduced by that fraction. But to this broad principle there were two main exceptions. In no case was the percentage of the rent to be remitted for any one class of tenant, to be greater than the percentage fall in prices. In this way

rental remissions were, in general, subject to a maximum of 50 per cent. Secondly, while for each class of tenant the percentage of remission was calculated, it was nevertheless provided that no individual rent should be reduced below that paid for the same holding in 1901.⁷ Under this procedure the total remissions for 1931-32 amounted to Rs. 411.25 lakhs.

The problem of revenue presented much more difficulty than that of rent. Two courses of action were open: (i) Remissions of revenue based upon the amount of rent remitted; and (ii) Remissions of revenue based upon the assets which remained after remissions of rents.

There is always a considerable gap between revenue and rent because while the zamindars are able to increase the rents during the currency of a Settlement, the revenue demand is fixed. Thus in districts where there had been no Settlement during the last thirty years the revenue had remained constant but the rent had more than doubled. Remissions of revenue in such cases, to bring it to the pitch at which it stood in 1901, on the basis of rental remissions, would have meant a substantial loss of revenue; while the assets would have remained (due to the Settlement being not revised) at a lower figure than they were in 1901. On the other hand, remission, on the basis of the assets left after rental remissions, to bring land revenue to the pitch of 1901, would have been unnecessary. Hence, while the land-

⁷ V. *Administration Report of the United Provinces, 1931-32*, p. xvii.

lord pressed for the adoption of the former course, the Government, in the interests of the Provincial finances, naturally preferred the latter. Between these two extreme courses it was necessary to bring about a compromise, and the Government finally decided to remit revenue in each district by that percentage by which the current revenue demand exceeded 40 per cent of the assets as reduced by rental remissions. Where, however, the calculation resulted in a very small remission of revenue accompanied by a substantial remission of rent, they increased, as an act of grace, the percentage of revenue to be remitted. As a result of this process there was a total remission of Rs. 113.06 lakhs of revenue for 1931-32.

Defects of the Measures.

The above method for calculating rent and revenue remissions, to meet the fall in prices, was cumbersome in nature and difficult to administer. The cultivators generally could not understand the basis of remission and hence, in some cases, unscrupulous zamindars took advantage of it and tried to realize rents on the old basis.

Moreover, this temporary measure was open to two special objections. Rental remissions were determined for each cultivator not on the basis of his recorded rent and the quality of his holding, but, on the difference, to the class of cultivators to which he belonged, between the general incidence of rents in 1931 over 1901. This while benefiting some, injured others. It was an arbitrary measure not based on the principle of equality.

Again, as there was no proportion between rental remission and revenue remission, the landlords of some mahals gained while those of others lost; because individual mahals were all governed by the same percentage of revenue remissions granted for the district, irrespective of the fact as to whether the rental remissions were large or small. Finally, it must be remembered that these defects were bound to arise in any scheme of remission because, in view of the depression, any measure of relief must be given at once and consequently a formula had to be adopted that would not involve detailed inquiry into individual cases. Hence, there were disparities in the extent of relief between tenants and landlords.

The Government, therefore, appointed a special officer to suggest methods for the automatic adjustment of rents to meet major fluctuations of prices in future. The scheme, however, on account of administrative difficulties and other reasons, was dropped and the Government continued the *ad hoc* methods of granting remissions in revenue (Rs. 113.06 lakh) and rents (Rs. 411.25 lakhs) introduced in 1931-32 for all subsequent years (1936-37).

Re-settlement of the Districts

As the scheme for the automatic adjustment of rents to prices was dropped, the Government considered proposals to revise the revenue demand on the basis of prevailing prices by the re-settlement of the districts. In the February-March session (1936) of the Legislative

Council the Government introduced a Bill for revising Settlements on the basis of prevailing prices. The Bill received the support of the Council and Settlement operations were started in the districts of Meerut, Bijnor, Sitapur, Sultanpur, Bahraich and revision operations were also started in the districts of Saharanpur, Badaun, Hardoi, Barabanki and Fyzabad.

The policy of the Government was thus to revise the land revenue system on the basis of the prevailing prices. According to this policy the rental and revenue demand would be brought in conformity with the prevailing price-level. In Chapter IX we have pointed out the rules which the Government framed in this connection (1940).

Defects of the Scheme

This was a defective policy. To fix the rental and revenue demand for long periods at the full pitch on the basis of prevailing prices, which are subject to sudden changes, is to open the revenue system of the province to the dangers of uncertain price movements. Uncertainties of price movements are, no doubt, beyond our control. But to minimise the effects of price movements over long periods, we can *lower the pitch of the demand* based on it.

Taxation of land in India has two important characteristics. Firstly, it is fixed for a long period ranging from 30 to 40 years. Secondly, it is revised after careful Settlement operations. Both these features, in addition to the unprecedented fall in prices,

were responsible for the collapse of the revenue system. It could not adjust itself quickly. Hence, a general remission and suspension on a large scale, to meet the exceptional circumstances, had to be made.

In order that the revenue system may work smoothly, in future it is essential that the revenue and rental demand should be kept at a figure which would not cause hardship even in exceptional circumstances. To make up the loss in revenue caused by lowering the pitch of assessment, income-tax, death duties, and additional local rates should be levied. The imposition and adjustment of these taxes and rates would not require elaborate Settlement machinery. They could be changed easily.

Thus in a period of falling prices the low revenue and rental demand need not change. To mitigate the hardship the rate of income-tax, death duties and local rates should be lowered. The system would work smoothly.

The above proposal has one more merit. In periods of rising prices, the rates of income-tax and local rates, without causing any hardship, could be increased to bring in additional revenue.

The revision of the land revenue policy in the light of the above principle would not require executive action to meet emergencies. Land revenue would become a more stable source of revenue than it is now.

The proposals, in the light of the above principle, may briefly be summarised here:

- (1) The revenue demand in temporarily settled

areas should be reduced from 40 to 25 per cent of the net assets.

(2) The rental demand should be reduced by 25 per cent.

(3) The deficit caused by the reduction in the percentage of land revenue should be made up by taxing agricultural incomes and a system of death duties.

(4) Additional local rates should be imposed.

(5) A larger percentage of land revenue should be devoted to the improvements of rural areas.

These proposals have been discussed by me at great length in my work on *Indian Provincial Finance*.

The Political Chaos and the Revenue System

The unprecedented fall in the price of agricultural products synchronised with a period of intense political dissatisfaction which was prevailing in the country after the appointment of the Indian Statutory Commission (1930). The scale of remissions in revenue and rentals granted by the Government were regarded as inadequate by the Congress. Mahatma Gandhi interviewed Lord Hailey at Naini Tal in May, 1931 and a temporary settlement between the Government and the Congress was arrived at. Meanwhile events moved faster and ultimately the Congress took resort to the no-rent campaign (1931-32).

The agrarian situation, during the depression, in the United Provinces, reached a critical stage. With the unprecedented fall in the price of agricultural produce, distress among the agricultural classes became very

acute. The Congress in its 'Report on Agrarian Distress in the United Provinces' (1931) complained against the Government for its policy of inadequate remissions and suspensions. The Government blamed the Congress for exploiting the uneducated cultivators to overthrow 'law and order' in the country.

The no-rent campaign of the Congress and the policy of repression of the Government need no comment. They form a sad chapter in the economic history of the province. The peasantry had to fight and suffer the evil consequences of the depression, for the no-rent campaign, whatever its value as a political weapon may be, was a fruitless measure in so far as it did not relieve the distress of the peasantry. The strained political situation of the period unfortunately coincided with the downward trend in prices and neither the Government nor the Congress could solve successfully the problem of agrarian crisis. Much of the suffering among the peasantry could have been avoided if this problem was solved in a frank and free spirit of compromise by the Government and the Congress.

Inadequate Remissions

The remissions granted by the Government under the scheme of 1931 were regarded as inadequate. In 1931-32 approximately Rs. 411.5 lakhs of rents and Rs. 113.06 lakhs of revenue were remitted. These figures, with very slight modifications, were being continued till 1936-37. During the period when the depression was at its worst the prices of agricultural produce,

roughly speaking, were reduced, on an average, by more than 100 per cent. The percentage of the total rental remissions to the total rental demand was 30 per cent in all the years, 1931-37. This shows that the relief given to the cultivators in some cases was inadequate. It was suggested that a relief of 8 annas in the rupee in the rental demand in some years would have substantially relieved distress among the peasantry. But it must be admitted that during the years 1933-37, when the price level had appreciably risen, the remission in rents (411.5 lakhs) and revenue (113.06 lakhs) were liberal. Hence, the alleged connection between the no-rent campaign of 1934-35 and the inadequacy of rent or revenue remissions is incorrect.

Coercive Processes

It is difficult to state with precision the effects of the inadequate rental remissions. The high percentage of revenue collections and the increase in the number of coercive processes and warrants to realize the demand, however, show to some extent the hardship caused during this period. The following table shows the percentage of revenue collected to the effective demand and the total number of coercive processes issued for the recovery of land revenue:

Year ⁸	The percentage of revenue collected to effective demand	Total number of coercive processes for the recovery of land revenue
1929-30	..	225,341
1930-31	..	245,855
1931-32	97.3	256,284
1932-33	99.7	243,000
1933-34	99.9	213,000
1934-35	99.9	217,000
1935-36	99.0	209,000

In 1931-32 (when prices were lowest), the largest increase in coercive processes for the recovery of land revenue was in the attachment of moveable property and warrants of arrest. In 1932-33 the processes issued fell to 243 thousand, the fall being mainly in 'writs of demand' for the collection of canal dues. There was an actual increase in warrants of arrest and attachments of moveable property.

The fall in the coercive processes in subsequent years shows roughly that as prices rose realization of revenue demand became easier.

Hardships of the Cultivating Classes

The hardships caused to the cultivating classes, on account of the coercive processes employed by the landlords, in the failure to pay rent, was very great. The Congress Enquiry Committee on Agrarian Distress (1931) in the United Provinces reported numerous cases of persecution, intimidation, and coercion of

⁸ Compiled from the Reports on the Administration of Revenue in the United Provinces.

tenants by the zamindars and Talukdars in a large number of districts. The Report at one place observes:

It is unfortunately a fact that unauthorised exactions of various sorts are made on a large scale, receipts are not given in many villages, amounts in excess of the recorded rent are also realized, especially in the eastern districts and the general feeling among the zamindars is that the tenant is none the worse for the beating that may be administered to him so long as his limbs are not broken.' (page 35). It was found that the zamindars had realized full rents and misappropriated the parts that had been remitted in 1929-30 (page 76).

The Place of Kisan Sabhas

Having reviewed the relation between rents, revenue and prices, we now pass on to consider the constitution, functions and importance of the *Kisan Sabhas*. The failure of the Kisan Sabhas and the Eka Movement in 1921 and the revival and decline of the Kisan Sabhas again in 1934-35 show that the Kisan Sabhas so far have not been organised on proper lines to improve the condition of the peasantry. They are regarded, more or less, as political bodies.

Few would deny the importance of the functions of Trade Unions, (run on economic lines) to prevent the exploitation of the labouring classes. Kisan Sabhas, similarly, if properly organised on economic lines, would form an important link between the cultivators, landlords, and the Government. The exploitation of the peasantry through concealment of rentals, illegal *naz-*

rana and *begar* (forced work) could be stopped. The coercive process employed in the realization of rents would come to the light of day. They could exercise a wholesome influence in checking litigation. Above all, their considered opinion would be of an immense help in problems of tenancy reform and revision of land revenue policy.

Such being the important functions which they are capable of performing it is highly essential that political influences should be entirely kept apart from them. The Congress would do a great service to the peasantry if it were to see that the Kisan Sabhas are not used as political tools for the constitutional liberty of the country.

Necessity of the Kisan Sabhas

At this point we come to consider the formation of the Kisan Sabhas that will secure the results at which we are aiming. For without an appropriate organisation, the Kisan Sabhas are bound to fail. It is a strange thing that the idea of a constitution for the Kisan Sabhas, though their importance is admitted by the Congress and politicians of varying shades of opinion, has never been given a practical form.

The constitution of the Kisan Sabhas must be framed with two broad principles in view. Firstly, the powers and functions of the Kisan Sabhas must be defined and they must be endowed with the necessary powers to carry these purposes out. Secondly, the personnel entrusted with the task of carrying out the func-

tions must have the knowledge, the power and interest to work out solutions; for it is only when the men of capacity who mean to improve the condition of peasantry come upon the scene that the Kisan Sabhas will occupy their proper place in the national economy of the country.

At the present time there is no agricultural organisation that can direct and control the national agricultural policy and safeguard, in particular, the interest of the peasantry. The only organisation that controls the interest of the peasantry is the Congress. In recent years (1937-39) the Congress has attempted with great courage, though with perhaps insufficient support from the landlords, to initiate and carry through a comprehensive agricultural and land policy to improve the economic status of the peasantry.

The urgent need for the formation of these bodies is twofold. Firstly, Government in every country is proving inadequate for the tasks which it has assumed. The Kisan Sabhas shall be of immense help to the Government in the execution of its deliberately formed policy. Sir Arthur Salter, having a similar purpose in view, advocated the formation of National Economic Councils. He remarked: 'Government must rid itself of tasks for which it is unsuited; rule more by principle, by basic law and regulation, and less by meticulous provision. And since, even so, the task of regulating and directing activities so complex as those of the modern world will be too great for Government itself, it must ally itself with every practicable form of ex-

ternal aid.⁹ Secondly, they shall inspire confidence both in the Government and persons who have landed interest. We have the Chambers of Commerce in each province to safeguard the interests of industrialists and capitalists. The Kisan Sabhas, federated into a Provincial Agricultural Federation, shall, likewise, safeguard the interests of agriculturists in each province.

It must be recognized that though the outlines of the policy must be framed by the Government, the working of the details of the policy should rest with the Kisan Sabhas. The basic problems of land policy are economic rather than political and in the economic sphere political influence would create obstacles in carrying those out on comprehensive lines. Moreover, political influence often degenerates into party wrangles and a balanced view of the immediate issue is lost.

Constitution of the Kisan Sabhas

The membership of the Kisan Sabhas should be broadly based. They should include all cultivators and landlords. They might, possibly, with advantage include agricultural labourers, village craftsmen, and other country people working directly for agriculture.

There must be a Kisan Sabha in a village or in a group of villages, if the village is too small to form it. They will require further to be related to each other. Hence for each district we must have District Kisan Sabhas which must draw their members from each Kisan Sabha. The District Kisan Sabha should be

⁹ Salter, Sir Arthur, *Recovery* (Bell), 1932, p. 220.

federated into a Provincial Agricultural Federation, which should look after agricultural and land problems of the province as a whole. The Provincial Federation would most likely be effective if it is limited in number. Each District Sabha should delegate one of its members to represent it.

The Government should be persuaded to institute the Federation with an advisory position in the first instance, and thereafter it might enlarge its powers and rights. The Federation ultimately would be a comprehensive authority representing the agricultural interests with which the Government can negotiate and thus the innumerable difficulties and delays in instituting a national agricultural and land policy would be easily solved.

There are certain advantages in the form of organization suggested above. The organization suggests three important committees: (i) Provincial Federation, (ii) District Committees, and (iii) Village Kisan Sabhas. It leaves to District Sabhas to elect their men, they know best, for the Provincial Federation. The Kisan Sabhas would create a healthy local interest in agricultural and land policy. The Federation would win the general confidence of and support from the farmers, agricultural labourers, landlords and others who are concerned in improving the agricultural life of the country. The Federation would draw together landlords and peasants through the collaboration of whom vital interests can be harmonized. Finally, it would be the highest authority to deal effectively agricultural and rural

problems on behalf of the agricultural classes.

The Federation would also advise on problems of drainage, illiteracy, and village improvement. It might go further in some cases to exercise direct control in limiting production. The problem of agricultural marketing, price control (e.g., the fixation of the minimum price of sugar-cane) might also be entrusted to the Federation.

The success of these organizations will depend upon the persons who work them and the attitude of the Government. The harmonious relations between the tenants and landlords would be the most important factor in their success. Absence of political influence, communal bias, integrity of purpose and self-help would be the most important factors for their development.

But behind all these factors would be the influence of the Provincial Government which must watch, assist and guide, and interfere when necessary. The Government should delegate and not abdicate, some of its powers and responsibility and then co-ordinate its policy with the peasant interest from which it draws its authority.

With proper education and enlightenment of the peasantry, the Kisan Sabhas would be the forerunner of a National Agriculturists' Party established to safeguard their interests. The Kisan Sabhas would advance the path of true democracy for India. For democracy in India must rest on the land.

CHAPTER XII

THE STATE AS LANDLORD

State Policy in India

From the account of land legislation (Tenancy and Land Revenue Acts) already given in the previous Chapters, it can be concluded that the Government in India has not followed a policy of *laissez-faire* with regard to land problems. The State policy with regard to Agriculture, Forest, Irrigation, Co-operation and Industries, though slow, has been constructive and successful. It is doubtful whether a more energetic policy, which would have meant increased financial pressure and increased taxation, largely to be paid by the peasantry, was desirable. Nevertheless, it cannot be denied that the State in India has performed some functions, besides land legislation, which elsewhere are usually performed by landlords or private enterprise.

There are three main reasons for the increased State interference and activity in Indian land problems. Firstly, the increased pressure of population on land has resulted in rack-renting. The State to check this has passed land laws. Agriculturists in every country are indebted. The Indian cultivators' condition is worse as a large portion of his debt is unproductive. Moreover, on account of his illiteracy he is an easy prey to the malpractices of the *mahajan*. The

Land Alienation Acts and the debt legislation provisions are attempts to protect his interests from exploitation by the mahajan.

Lastly, while the landlords of other countries, notably England, have taken lead in the work of agricultural development, the Indian landlord has consistently neglected it.

I propose in this Chapter to describe some of the ways in which the State has helped the peasantry. However, before doing so I shall deal with the Bundelkhand Land Alienation Act and the recent Debt Legislation in the United Provinces.

The Bundelkhand Land Alienation Act (II of 1900)

One of the measures adopted by the State to protect the interests of cultivating classes was the Bundelkhand Land Alienation Act of 1900. The Act 'aimed primarily at preventing or mitigating evils which arose incidentally out of the introduction of British rule.'¹ The reason for the legislation was that in Bundelkhand the landholders were sharply distinguished into two classes—agriculturists and non-agriculturists. The majority of the agriculturists had been proprietors of land and cultivated the land themselves. Many agriculturists were, however, deeply indebted and hence transfers of land from agriculturists to non-agriculturists were common. The effects of such transfers were disastrous, as they led to the eviction of the sturdy Rajput peasant, and transfer of the land to the money-lending

¹ Anstey, Op. cit., p. 103.

classes who oppressed and rack-rented him by subletting it to him on short term leases.

The State, to check this unhealthy tendency, had to interfere, and pass an Act under which permanent alienations of land are permitted only when the alienator is not a member of an agricultural tribe, or when the alienator and the new land-owner are both members of the same tribe or of a tribe in the same group, and residents of the district in which the land is situated.

Usufructuary mortgages of land, except to a member of an agricultural tribe, remain in force only for a limited period of years (the maximum is twenty), and the land must be redelivered to the mortgagor free from all encumbrances. Agricultural tribes are defined by the Act and are limited to those who actually carry on the work of cultivation.

The effects of the Act are:—

(1) There has been a restriction in the supply of credit and hence its price has somewhat increased.

(2) There has been a considerable reduction in the volume of debt. The debt in the districts where the Act is applicable is lower than in any other part of the province.

(3) The non-agricultural money-lender has been replaced by the agricultural money-lender. Of the total debt in Bundelkhand 44 per cent is now supplied by the former and 42 per cent by the latter.

(4) Transfers of land from agricultural tribes to money-lending classes have been stopped. Transfers, when they take place, are from one agriculturist class

to another.²

It is not possible here to discuss fully the merits and demerits of the legislation on which widely divergent opinions are held. The chief argument against the law is that it has merely substituted an agricultural creditor for a non-agricultural. While I recognize the force of the argument, I would, however, like to insist that the risk of the evasion of the law does not destroy the efficiency of the principle involved in the law. The Agricultural Commission rightly observed that "no legislation, however, wise or sympathetic, can save from himself the cultivator who, through ignorance or improvidence, is determined to work his own ruin. Education and the development of character are the sole specifics against both the wiles of the lender and the recklessness of the borrower."³

In my view judicious restrictions on transfer of land, on the lines of the Bundelkhand Land Alienation Act, in other parts of the province, after a full inquiry, would be conducive to the maintenance of hereditary peasants. With the enlightenment of the peasantry the object of legislation is also less likely to be defeated.⁴

Debt Legislation

The fall in prices, besides increasing the pressure of

² See the *United Provinces Banking Enquiry Committee Report*, Vol. 1, (1930), p. 205.

³ Report of the *Royal Commission on Agriculture in India*, (1928), p. 419.

⁴ For more information on the subject see *The United Provinces Banking Inquiry Committee Report*, (1930), Vol. 1, pp. 204-206.

revenue and rentals, also increased the real burden of rural indebtedness. The agriculturists found it extremely difficult to repay their debts and forced sales of lands became the order of the day. The acute economic distress resulting from the transfer of land led the Provincial Government to devise measures for affording immediate relief to check this unhealthy situation. The years between 1930 and 1940 have witnessed a mass of debt legislation for improving the condition of the indebted peasantry. The Congress Ministries, during the short stay of their office (1937-39), gave an additional stimulus to the previous efforts to solve the problem of rural indebtedness. It is very difficult to describe in any detail the enormous legislative activity of the last ten years which has brought about a fundamental change in the legal basis of indebtedness. Broadly speaking, the entire mass of debt relief legislation may be grouped into two heads, according to the nature of the objective which the legislation had in view. They are: (i) Short-term legislation and (ii) Long-term legislation. The main short-term measures to afford immediate relief were:—

(i) Stay of execution proceedings (e.g., The United Provinces Temporary Regulation of Execution Act (XXIV) of 1934).

(ii) Measures to reduce the liabilities of the debtors in respect of the past arrears of interest (e.g., The United Provinces Agriculturists' Relief Act (1934)).

(iii) Measures to provide relief in respect of the payment of the principal of the loan (e.g., The United

Provinces Regulation of Sales Act of 1934).

Among the long-term measures may be mentioned the various Moneylenders' Acts for regulating the business of moneylending and providing safeguards for the protection of the person and property of the debtors against undue exploitation by the creditors, (e.g., the United Provinces Money Lenders' Bill 1939). Such legislation had the following three objects, among others, in view:—

- (i) The registration and licensing of money-lenders;
- (ii) The regulation of accounts; and
- (iii) The regulation of interest.

In the pages following, we shall briefly point out the legislative activity of the United Provinces Government. As debt Acts have often been criticized as measures violating private contract, the theoretical case for the laws has been stated in the beginning.

Theoretical arguments for the relief of debt by legislation

Economists draw an important distinction between the *money* rate of interest and the *real* rate of interest. A sum of money borrowed at 5 per cent when the value of money in terms of commodities is 100, becomes $94\frac{1}{2}$, including interest, when the value of money falls to 90, at the end of the year. The *money* rate of interest is 5 per cent but the *real* rate of interest is *minus* $5\frac{1}{2}$ per cent. Similarly, if the value of money has risen and the amount is worth 110 in commodities

the *real* rate of interest is $15\frac{1}{2}$ per cent though the *money* rate of interest is still 5 per cent.

"Thus," writes Keynes, "when prices are rising, the business man who borrows money is able to repay the lender with what, in terms of real value, not only represents no interest, but is even less than the capital originally advanced; that is, the real rate of interest falls to a negative value, and the borrower reaps a corresponding benefit."⁵

On the other hand when prices fall even a bank rate of 1 per cent becomes oppressive to business, as it corresponds to a very high rate of real interest.⁶

The increased burden of debt in the United Provinces can be judged by the fact that the index number of wholesale prices during 1931 to 1936 fell by more than 100 per cent as compared with the years 1919 to 1922.⁷ Thus the value of Rs. 100 in commodities during 1919 to 1922 became more than Rs. 200 during the period 1931-36. The slight reduction in the rate of interest aimed at by the debt legislation was insignificant as compared with the phenomenal fall in price level. The real burden of debt had become too heavy.

Agriculturists' Relief Act, (1934)

The main objects of debt legislation, in the words of the Agricultural Commission, are to relieve the debtor of what he cannot pay, while insisting on his paying the

⁵ Keynes, J. M.: *A Tract on Monetary Reform*, p. 21.

⁶ *Ibid.*, p. 24.

⁷ See Appendix A.

utmost he can within a reasonable time.⁸ After he has paid the utmost he can with his assets he should be allowed to start a new life. It was with these objects that the United Provinces Agriculturists' Relief Act was passed. The Act has provided, in particular, the following facilities to the agriculturist debtors:—⁹

(1) It has made provision for a legal process by which an agriculturist debtor can apply to a civil court to get his account settled and to fix instalments for the payment of the decree.

(2) The court is empowered under the Act, to determine the future rate of interest which may be allowed on any decree.

(3) It has enabled a debtor to deposit in court a sum of money in discharge of his debt for payment to his creditor.

(4) It has limited the sale of agricultural produce in execution of decrees for a period of four years.

(5) It has limited the period of usufructuary mortgages for a term not exceeding twenty years. The right to receive the rents and profits from the land during the period shall be deemed to be in lieu of interest and towards payment of the principal. The mortgaged land shall be returned to the mortgagor, after the expiry of the period, and the mortgage debt shall be deemed to have been discharged.

(6) Every agriculturist debtor is entitled to

⁸ *Royal Commission on Agriculture*, p. 441.

⁹ For the Statement of Objects and Reasons of the Act, see *United Provinces Gazette*, May 13, 1933, pp. 69-70.

demand from his creditor a full and correct statement of the amount outstanding against him. It is the duty of every creditor to maintain his accounts in the manner prescribed by the Local Government.

(7) It has been made a penal offence for a creditor to enter in his books of accounts a sum larger than that actually lent. The creditor is also bound in to deliver to the debtor a receipt for any payment made by him. Failure to do so is again a penal offence.

The Act has been more extensively used than any other Debt Relief measure. The vast majority of cases have been for the grant of instalments or for the reduction of interest on decrees.¹⁰

*The Usurious Loans (United Provinces Amendment) Act, 1934*¹¹

The Usurious Loans Act of 1918, on account of difficulties of interpretation in courts as to what constitutes an excessive rate of interest, remained practically a dead letter in all the provinces. The United Provinces Usurious Act was passed to define excessive rates of interest. The Act has provided that:—

(1) In the case of loans secured by a first mortgage the interest exceeding 12 per cent per annum is excessive.

(2) In the case of unsecured loans the interest rate is excessive if it exceeds 24 per cent per annum.

¹⁰ *Revenue Administration Report of the United Provinces, 1935-36, (Issued 1938), p. 17.*

¹¹ For the Statement of Objects and Reasons of the Act see *United Provinces Gazette, May 13, 1933, pp. 71-72.*

(3) In the case of secured loans the court shall not deem the interest excessive if the rate does not exceed 7 per cent per annum.

(4) In the case of unsecured loans the interest is not excessive if the rate does not exceed 9 per cent per annum.

Thus the Act has provided the maximum and minimum rates of interest.

The Act has afforded considerable relief to debtors of all classes, its provisions being often applied to claims before plaintiffs are filed, with a consequent reduction in litigation. Relief under the Act has often been given in *ex parte* cases also, and it has some effect in checking usury.¹²

Temporary Debt Relief Measures

Besides these two Acts which are of permanent value the Government passed three other Acts, (temporary in their application) to meet the extraordinary situation caused by the slump in prices. They are: (1) The United Provinces Encumbered Estates Act; (2) The United Provinces Temporary Regulation of Execution Act; and (3) The United Provinces Regulation of Sales Act.

The United Provinces Encumbered Estates Act was intended to assist landowners, paying land revenue of more than rupees ten, from becoming insolvent, owing to the slump in prices. The Act ensured the liquidation

¹² *Revenue Administration Report of the United Provinces, 1935-36*, pp. 16-17.

of debt by equated instalments over a period of years, coupled, if these proved to be insufficient, with the transfer of the least possible area of land. The amount of interest which the creditor was allowed to recover on his loans was limited to a sum equal to the amount of the original loan, except that, if the debt was incurred before 1917, it was limited to a sum equal to the amount entered as principal in the last document executed before 1917.¹³

In order to give more opportunities to take advantage of the Act the time for the filing of applications under the Encumbered Estates Act was extended up to October 29, 1936. The total number of applications made under the Act was 34,000, involving debts of about Rs. 25.5 crores. All proceedings for the preparation of liquidation awards have, however, been stayed as the Government intend to examine the whole question of rural indebtedness and Debt Relief Acts afresh.¹⁴

The United Provinces Temporary Regulation of Execution Act was a supplementary measure to the Encumbered Estates Act. It was meant to give relief to all landlords paying land revenue of less than rupees ten and to all cultivators. Under the Act, relief was granted by a scaling down of decrees, provided that the payment was promptly made, on debts decreed by a

¹³ V. Revenue Administration Report of the United Provinces, 1933-34, p. xvi.

¹⁴ V. Revenue Administration Report of the United Provinces, pp. 17-18, 1935-36.

civil court before the passing of the Act.¹⁵

As the Act was not sufficiently advertised, little use was made of it except in a few districts where debtors, by paying something towards the decretal amount, obtained considerable reduction in the rate of interest.¹⁶

The object of the United Provinces Regulation of Sales Act (1934) was to prevent an undue amount of land passing from the hands of the old land-owning classes. The Act ensured that a creditor, who attempted to recover his loan, advanced to a landowner, during the period when the Act remained in force, should not get more land in satisfaction of his loan than he could have expected to get if there had been no slump.¹⁷

Thus the Collector under the provisions of the Act, was empowered to restrict the amount of agricultural land to be sold in execution in respect of a loan prior to the passing of the Act.

Originally, the Act was to remain in force until November 1, 1936, but it was extended till December 15, 1936. Under the Act in 1935-36 there were nearly 33,000 cases for disposal involving a sum of Rs. 8.17 crores. In 3,533 cases the civil courts granted instalments, and action was taken under the Act. In 2,239 cases, debts of Rs. 32.75 lakhs were liquidated by sale of a suitable portion of the attached property valued at

¹⁵ V. *Administration Report of the United Provinces, 1933-34*, p. xvi.

¹⁶ V. *Revenue Administration Report of the United Provinces, 1935-36*, p. 17.

¹⁷ V. *Administration Report of the United Provinces, 1933-34*, p. xvi.

pre-slump valuation.

Regarding the working of the Act the Board of Revenue remarked: "This Act has saved a large number of debtors from the loss of much of their property, and gave considerable relief in the individual cases of decreed debts to which it applied."¹⁸

In addition to debt legislation the Government in 1933-34 issued orders under Section 61 of the Civil Procedure Code exempting one-third of the produce from sale in execution of civil decrees.

This order remained in force till 1935-36.

Long-term measures

Finally, attention may be drawn to the three long-term measures of the United Provinces Government. The United Provinces Agriculturists' Debt Redemption Bill, 1939 proposed to effectively reduce the debts of small agriculturists. The Bill provided for the investigation of agricultural-debts and laid down that the creditor should not be entitled to receive a sum higher than twice the amount of the principal of the loan minus all payments that he may have received. It also provided that in case of protected tenants, the creditors could only take possession of the landed property of the debtor as a usufructuary mortgage and could not sell it to realize their dues.

The main object of the U. P. Regulation of Agricultural Credit Bill, 1939 was to limit the capacity of

¹⁸ *Revenue Administration Report of the United Provinces, 1935-36, p. 17.*

the debtor of an average status to borrow indefinitely from the moneylenders by putting restrictions upon the transferability of the only security he can offer, viz., the standing crops or his land. The Bill provided that the creditor could not recover more than one-fourth of the value of the standing crops of one year and could not do so for a period longer than four years. The Act also provided that any deed of mortgage of land which contains the provision for the conditional sale of such land would be null and void after the passing of the Act.

Finally, the United Provinces Moneylenders' Bill, 1939, attempted to control the money-lending operations in the United Provinces. It provided for the registration and licensing of moneylenders. It also provided safeguards to debtors against undue molestation. The distinguishing feature of this Bill is that it embodies all the various regulations which have been adopted by other Provincial Governments for the control and regulation of the moneylending operations.

Conclusion

In conclusion it may be said that the debt legislation 1930-37 of the United Provinces Government was a timely measure to relieve hardship and proved to be of considerable help to cultivators and landed classes. These measures have been criticised on the ground that they restricted the volume of rural credit and made borrowing difficult for the cultivators. No doubt, the agriculturist should have some form of cheap and facile credit but it must be admitted that facile credit without

proper safe-guards often results in extravagance. Credit has been compared to fire, which is useful only when kept under strict control. In India, guarded and productive credit is needed; organised credit will act as a restraint on the borrowers, and prevent unintelligent or extravagant use of the loan.¹⁰ The long-term measures shall place rural finance on a sounder and more stable footing and ultimately lighten the crushing burden of rural indebtedness.

Irrigation

Having considered the role which the State has played in checking the transfer of land to non-agricultural classes and reducing the burden of rural indebtedness, we now pass on to consider some important aspects of State activity. The most outstanding activity of the State which has profoundly effected the lives of millions of people has been the construction of irrigation works. Whatever difference of opinion may exist regarding State policy for the economic development of the country none would deny the beneficial effects of irrigation which has turned millions of acres of arid land into flourishing cornfields.

In providing irrigation works the State has acted as a wise landlord. For as Professor Knowles has remarked, 'the irrigation works have made for security of life, they have increased the yields and the value of the land and the revenue derived from it. They lessened

¹⁰ Mukerjee, P. *The Co-operative Movement in India*, Thacker Spink & Co., Calcutta, p. 32.

the cost of famine relief, and have helped to civilise whole regions. In addition, they now yield a handsome profit to the Government of 7 to 8 per cent.²⁰

Apart from the direct and indirect effects of irrigation, the reproductive influences of irrigation, from a wider financial point of view should not be overlooked. Expenditure on irrigation is reproductive in a wide sense as it increases the national income of the country as a whole by more than its annual cost. Moreover, as "it increases the incomes of the citizens, it thereby raises the yield of any given rate of tax, and, thus contributes indirectly to the Government's revenue."²¹

A description of the existing irrigation facilities provided by the State would take us beyond the scope of our work. The following table, however, will show the existing position of irrigation in some of the provinces of British India:

Province	Area in Thousands of Acres		Percentage of Cultivated Area that is irrigated
	Cultivated	Irrigated	
Punjab	27,400	15,008	54.7
Sind	5,193	4,141	79.7
North-West Frontier Province	2,120	1,010	47.6
United Provinces ..	36,000	10,800	30.0
Bihar	19,360	4,460	23.0
Madras	32,000	8,000	27.6
Bombay and Central Provinces	53,000	2,300	4.3

²⁰ Knowles, L. C. A., *The Economic Development of the British Overseas Empire*, (1928), pp. 367-8.

²¹ Benham, Frederic, *Economics*, Pitman (1939), p. 313.

Co-operative Movement

While the control and development of the co-operative movement in foreign countries is mostly in private hands, co-operation in India, without undermining its fundamental principles is largely controlled and organized by the State. The report of the Indian Famine Commission of 1901 strongly advocated the starting of co-operative credit societies. The State, to relieve the indebtedness among the peasantry and to ameliorate their condition in general, passed the Co-operative Credit Societies Act of 1904. Under the Act Societies were classified as rural and urban, and while the latter were left a free choice, the former were bound to accept unlimited liability. In ordinary cases the area of societies was to be closely restricted. They were given a legal personality and authorised to raise funds and carry on their business in a corporate capacity. Loans might be made to members only on personal or real security, but not ordinarily on chattel security. An annual official audit was made compulsory. The interest of any member in the share capital of the society was strictly limited and special exemptions from the provisions of the Stamp Act, the Registration Act, and the Income Tax Act were conceded. The subject of Central Banks and the higher storeys of the co-operative structure were not however dealt with at this stage, and no indication was given as to the means of providing resources for enabling societies to meet their liabilities to depositors.

A fresh impetus was given to the movement in

1912 when the Government of India passed The Co-operative Societies Act (II) of 1912. Under the Act, the old distinction between rural and urban societies was swept away, and a more scientific distinction based on the nature of the liability of members, whether limited or unlimited, was adopted in its place. The registration of Unions, Central Banking Unions and Central Banks was for the first time expressly legalised.²²

The Maclagan Committee on Co-operation (1915) reviewed the movement in all parts of India. Later on, various provincial Governments instituted inquiries into the working of the movement. The King Committee (1922) recommended a decentralization of control and finance in the Central Provinces. The Oakden Committee (1926) brought about a transfer of the supervisory function in the United Provinces from the Central Banks to the Provincial Co-operative Union. The Townsend Committee (1928) made a number of important recommendations concerning Madras, where primary societies have been granting long-term credits on the lines of a Land Mortgage Bank. Land Mortgage, however, is now assigned to Mortgage Banks.

The movement, despite its defects and failures, has progressed well on strong and healthy lines in some provinces. It is somewhat difficult to compare the achievements of the movement in the various provinces. However, it is generally admitted that the position of the movement is most secure in Bombay, Madras, and

²² *Maclagan Committee Report*, (1915), pp. 3-4.

the Punjab. It has slowly regained ground in the United Provinces. In Bengal, Bihar, and the Central Provinces, it is, however, comparatively unstable. Mr. Strickland has rightly observed that the strength of the movement in Bombay lies: (i) in the financial resources and business efficiency of the Bombay Central Co-operative Bank, which operates both as a provincial institution and also, through branches in several districts, directly as a district bank; and (ii) in the ability of the Bombay Provincial Institute to recruit and train honorary organizers who perform certain of the duties entrusted by the institutes of other provinces to their paid employees. Madras is entitled to pride itself in its system of district banks and in its development of co-operative mortgage banking which may, if properly supervised, solve the problem of ancestral debt. In the United Provinces Co-operation is regarded as a part of wider effort towards better living, and the progress thus made in the provinces has influenced the views of co-operators throughout India.²³

The movement has provided, in spite of its defects, a large amount of capital to the peasantry at reasonable rates of interest and has, somewhat, relieved the burden of indebtedness. Where the movement is strongly established, thrift is being encouraged, rates of interest have been lowered and the hold of the mahajan has been loosened. It has been calculated that Rs. 40 to 50 lakhs

²³ See *Social Service in India*, edited by Sir Edward Blunt, (H. M. S. O.), 1939; chapter on Co-operation by C. F. Strickland, I.C.S., pp. 339-340.

per annum are saved in interest by the agriculturists as a result of the working of the co-operative credit societies.

The social and moral effects of the movement have brought about a marked change in the outlook of the people.

"Indian Co-operation lies in the trough of the wave, but to speak of failure is absurd."²⁴ The charge that the movement has not progressed on healthy lines on account of State supervision, assistance and counsel is not quite sound because State control is essential in the absence of sufficient number of honorary workers. It is my conviction that the whole future of the movement ultimately depends upon the intellectual stimulus and the closer contact between the cultivators, the co-operative department, and the public. Strickland has pointed out that the probable lines of development of the movement in India during the next decade are:—

(i) A stricter separation than in the past between short-term credit from the ordinary credit society and long-term credit from the mortgage bank;

(ii) An expansion of the non-credit societies, both in the direction of supply and marketing and towards the general rural reconstruction which India needs;

(iii) Fuller education of the staff and members in the meaning of Co-operation, and a closer control over the movement by a skilled official or unofficial agency, until the process of education has made a great advance.²⁵

²⁴ See *Social Service in India*, op. cit., p. 341.

²⁵ *Ibid.*, p. 341.

Agriculture

It is difficult to describe in a few pages the work of the Agriculture Department. Briefly, the Department has helped the cultivator by providing: (i) better seed; (ii) better manures; (iii) better implements; and (iv) better marketing facilities. It can undoubtedly be said that the foundation of agricultural progress depends upon the use of improved implements, seeds, and manures. The Department of Agriculture of United Provinces issued improved seeds of all kinds to the total of 42 lakhs of maunds of which 39.5 lakhs maunds was sugar-cane alone. The extent to which crops respond to better manure is not generally realized. The cane-produce in the province is between 325 and 400 maunds per acre. This it is said is at least 50 per cent lower than could be obtained by the use of organic manure materials at the disposal of the cultivator; and a hundred per cent less than he should get with the rational use of concentrated fertilisers.²⁶ The Department of Agriculture is carrying on propaganda for the profitable use of farmyard manure, night soil, and other fertilisers which would increase the productivity of soil. The number of implements disposed is fast increasing. During 1936, complete ploughs and iron parts, such as Meston and Gurjar, totalled over 10,000. This shows that the cultivators are appreciating light metal ploughs and improved machinery. Finally, the Indian cultivator buys in the

²⁶ See *Report on Administration of the Department of Agriculture, 1936-37.*

dearest market and sells in the cheapest market. The Co-operative Department came to his help but its activities were sporadic. Recently, a Marketing Department has been attached to the Department of Agriculture. Marketing surveys of all fruits, tobacco, linseed, groundnuts, wheat, rice, eggs, milk, cattle and hides and skins have been completed. It is hoped that as a result of these surveys, a more satisfactory system of marketing will come out which will ensure a better price to the producer and introduce economies in handling, transport and distribution of products.²⁷

The potentialities of agricultural development are vast in India. "It can undoubtedly be said that a veritable agricultural revolution could be effected by simply putting to practice the knowledge that has been gained with regard to improved varieties of crops, implements, cultural methods and the breeding and care of domestic animals. The limiting factors are finance and leadership, but surely no movement could be more worthy of both official and voluntary support."²⁸ If land revenue is to be put on a more stable basis, agricultural problems and policy need re-organization and change in outlook.

Conclusion

Will reduction of rents and revenue alone cure all the ills of cultivators and landlords? One is tempted to say, yes. But a study of the economic conditions of

²⁷ See my *Indian Provincial Finance*, Chapter X for a more detailed account of some of these aspects.

²⁸ See Anstey, *op. cit.*, pp. 170 and 184.

the country will convince us that no single factor alone will achieve successful results unless a co-ordinated policy for the development of the various aspects of Indian economic life is pursued. A description of the various factors which are responsible for the arrested economic development of the country is not possible here. In Chapter I the effects of the monsoon, the un-economic outlook of the people, and the growth of population on the problems of rent and revenue have been pointed out. Perhaps the most important factor which is responsible for the backward condition of the people is illiteracy. Neither scientific improvements in agriculture nor co-operation can improve the condition of the peasantry unless a change in rural life is brought about through education. The masses are steeped in ignorance. Hence, in order that the peasantry may easily carry the share of its burden, not only a change in the land revenue policy is necessary but many other distressing problems which retard progress need solution.

Finally, it can be said that the Government in India must play a more important part in giving a new orientation to the life of the people. The responsibility for framing the policy for the performance of extensive economic and social functions, must remain that of Government alone. The success of the Provincial Governments in stimulating public interest and co-operation in schemes of rural improvements, for the promotion of health, sanitation and education will depend upon the co-operation between the various communities and classes, and in particular, between the Congress

and other political parties. People must cast aside the shackles of caste and racial and religious prejudices to work together to make India a prosperous nation.

APPENDIX A

Index numbers of prices, rents and revenue in the United Provinces

Year	Wholesale prices	Rents of stable tenants	Rents of ordinary tenants	Land Revenue demand
1900	126	99	96	..
1901	107	99	96	99
1902	96	99	98	100
1903	95	102	100	101
1904	89	97	102	98
1905	109	103	103	101
Average 1901-05	100	100	100	100
1906	129	104	106	101
1907	137	104	107	102
1908	163	105	108	102
1909	136	105	111	102
1910	127	106	112	103
1911	120	106	115	103
1912	126	106	116	103
1913	144	107	117	103
1914	165	108	119	103
1915	173	109	120	103
1916	160	111	121	104
1917	158	111	122	104
1918	200	111	125	104
1919	258	109	128	104
1920	243	113	133	107
1921	258	114	134	108
1922	236	115	137	108
1923	182	117	139	108
1924	187	118	142	108
1925	220	119	144	109
1926	230	120	146	109
1927	217	120	146	109

Year			Wholesale prices	Rents of stable tenants	Rents of ordinary tenants	Land Re- venue demand
1928	..	..	213	120	146	109
1929	..	..	218	120	165	110
1930	..	..	162	121	166	111
1931	..	..	112	121	165	112
1932	119	120	162	112
1933	114	121	161	112
1934	103	121	161	113
1935	122	120	160	113

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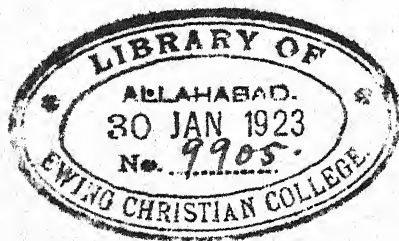
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THE SOCIAL UNREST

STUDIES IN LABOR AND
SOCIALIST MOVEMENTS

BY

JOHN GRAHAM BROOKS



NEW YORK
GROSSET & DUNLAP
PUBLISHERS

COPYRIGHT, 1903,
By THE MACMILLAN COMPANY.

Set up, electrotyped, and published January, 1903. Reprinted
March, May, July, 1903. Special edition April, 1904; April, July,
1905; April, 1906; June, 1907; April, 1908.

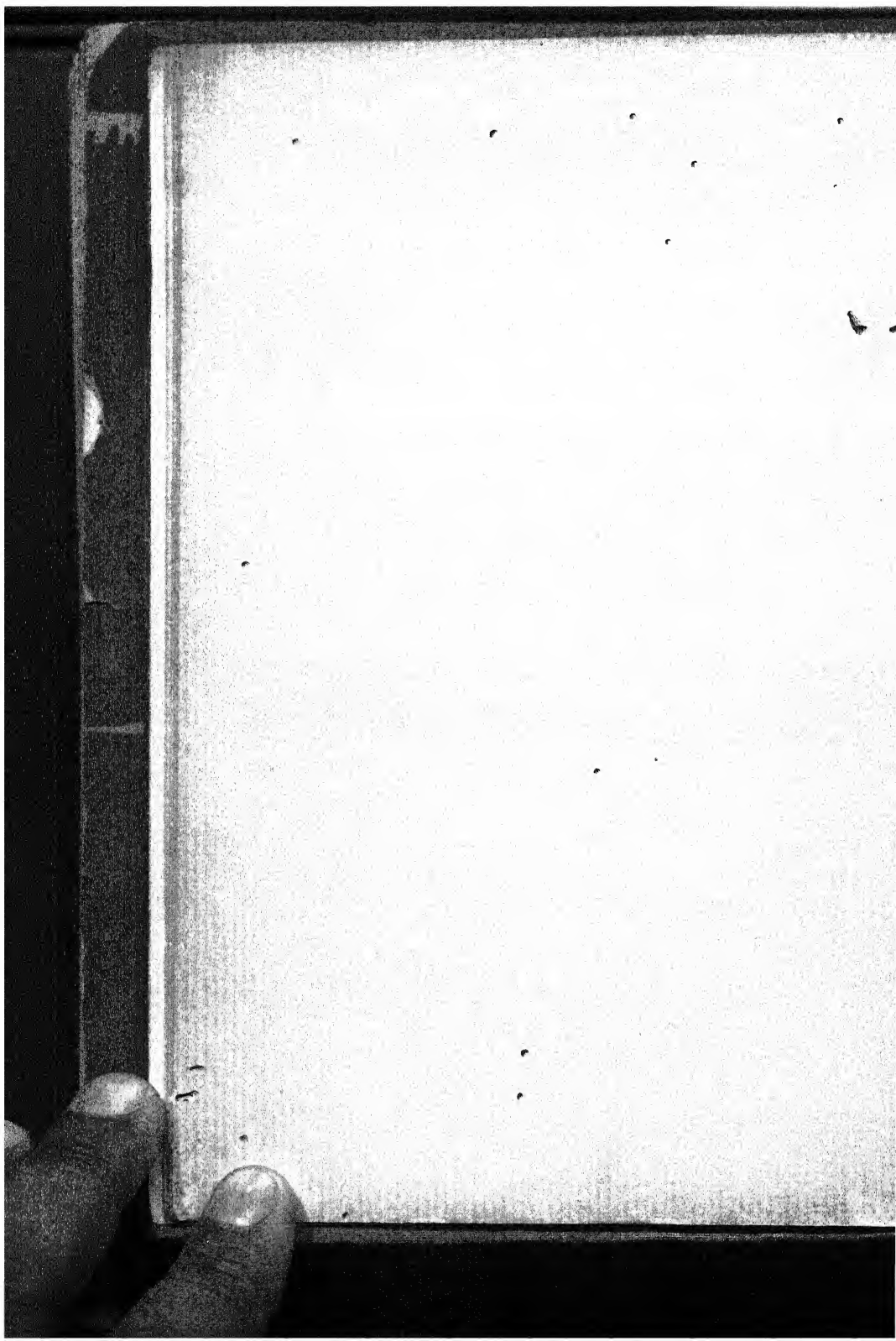
Notwood Press
J. S. Cushing & Co. — Berwick & Smith Co.
Norwood, Mass., U.S.A.

To

HELEN LAWRENCE BROOKS

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THE SOCIAL UNREST

PERSONAL AND INTRODUCTORY

THE nature of a good deal of the evidence in this volume is such as to require an explanation that is more personal than I could wish. This evidence may, perhaps, be less sharply criticised if a frank statement about it is made. I began, as do most students of social and economic questions, with a too exclusive study of books. It was several years before I learned that for one branch of economic and social study, the "live questions," like strikes, trade unions, the influence of machinery, etc., very few books existed that had more than slight value. Their treatment of the subject was too general. Much of the literature is scarcely in print, before it is out of date because of the extraordinary mobility and change of our commercial order. The reaction of this swiftly changing mechanism upon our entire life gives us a series of problems but partially expressed in books and differing in important ways from anything that Europe offers.

For instance, we are always perplexed by the question, why distributive coöperation should be so successful in England but so dreary a failure here. There are many reasons, but the main one is found in the conditions that have been brought about by

our material prosperity, accompanied by carelessly extravagant habits, together with our system of rapid transportation. We have not yet been forced to the pettier economies. Our working classes are contemptuous of saving one cent or two cents. The excursion train from a distance and the marvellous development of the city and suburban trolley take the crowd to the great stores where the customer is served better, more cheaply, and more quickly than any co-operative store has any present hope of doing. The great store touches the imagination, especially of the poorer people. I was for several years member of a co-operative store. It failed, partly because the wives of labor men among whom it originated would not continue to patronize it. One of them told me: "Oh, but it's no fun to go to that stuffy place. When I go to R. H. White's, it's like going to a theatre, and my fare in and out of the city costs me nothing, for I can get things cheaper there." Here are cheapness, a satisfied imagination, and an exhilarating ride all for the same money. American invention has made it possible, and not until an entirely new set of conditions has been thrust upon us is there a breath of hope for the English co-operation.

In *la grande industrie* the same forces are producing a form of co-operation that is beyond anything that Europe has reached. The democratization of industry is slowly coming from the top into a forced co-operation with organized labor. The "joint agreement" between employer and employed has begun. It compels a kind of partnership between capital and labor. Every step in its development will destroy the old individualistic and arbitrary doctrine of the

employer that is expressed in such terms as "This is *my* business," "I will not arbitrate," "I will deal only with individuals," etc. Every extension of the joint agreement will bring the great business into closer unity with the best ideals of our political life. Yet no book begins to describe the mechanism that makes these great changes possible. Only in trade and technical journals does one find even a partial account of them.

Again, of our trade unions, there is almost no literature. The close and exhaustive study of Mr. and Mrs. Webb is admirable for the English trade-union tradition. It but partially describes the organization of labor in the United States. The mobility that applied invention has brought about has given us a unionism distinct in important particulars from that which any foreign country can show.

The effect of foreign leadership (especially of the Irish) in our unions is one real difference, but the mobility and the chances this offers to leave one's position for a better, modifies our trade union in many ways. No sooner is the labor leader trained for his duties than he is likely to leave his union and "go into business." I can count from memory thirteen men in Massachusetts, who were in their time and place leaders, who now occupy positions in politics or in business. A friend who always defends the trade union tells me that in Chicago he knows of more than thirty men, formerly at the front in their respective unions, who now hold political office in that city. "They are always on the watch," he adds, "for better positions in other occupations, after they have struggled some years with the external, and more especially with the

internal, difficulties of the unions." I asked one of the prominent leaders how he stood the strain which I knew was brought to bear upon him. "I can't stand it long," he said; "I shall keep my eye out for a business position, and when I can leave my present place honorably, I shall do it."

In Pittsburg, during the steel strike, I tried to find some of the ex-presidents of that strong trade union. The most important of the former officials had gone into other occupations. That more solidified group consciousness that constitutes a class feeling of which radical socialism makes so much, is thus difficult to maintain in this country. Such dangers as there are in this fighting class-spirit in the unions is kept more keenly alive by those employers who think it the part of wisdom to defeat the real ends of organized labor.

During six years of weekly economic lectures before a trade-union audience, I learned that any trade-union literature accessible was upon the whole misleading. An academic student, who has read never so faithfully all the books, has to learn his entire lesson over again by contact with the actual concrete struggles of unions among themselves and with their employers. I had been taught to believe, for example, that the limitation of the number of apprentices by the unions was an inexcusable tyranny over American liberty. In spite of the abuses of this limitation, one finds that it is an integral part of a common effort characterizing our entire business system. It is in its nature in no way peculiar to the trade union. I once saw the establishment of a new union in a Massachusetts shoe town. At first there was no thought of opposing any

number of young men who cared to come in, but in a slackened period of work, it was found that eight and nine per cent of their own trade-union members were without work. At that time the rule was made limiting the number of those learning the trade. "Why," I was asked, "should we let a lot of young fellows come in to compete against our old members who can't get work?" There is often a steady average of two, three, and four per cent of older members thus out of work in half our unions. This explanation does not meet all the difficulties in the limitation of those permitted to learn the trade at a given time. It does enable us to see the reasons why the attempt is made and to see further that it is as natural as any of those checks to lessen competition which fill our commercial life. I have heard this reply from an indignant agent of the union: "They ask us to put in more apprentices when there is no shortage of workmen; when we can furnish first-rate men who are now out of work. That would mean that we were to help train new men to compete with our own members out of work." This action of the union to meet the competing forces that endanger its common life is at least as intelligent as the tariff, or the limitation of output by a great corporation. This check upon competition in the trade union is a superior morality as compared with that large part of business which uses the tariff to sell our products to foreign competitors twenty per cent cheaper than to our own people.

This limitation of apprentices is, however, a very elementary difficulty. The attitude of the trade union toward the new inventions presents a problem

as delicate as it is fundamental in character. In the chapter on machinery it is considered at length. It is mentioned here solely for the purpose of showing how helpless a student is who trusts to the current economic books for light. The hackneyed charge that trade unions "oppose new machinery" carries an unhappy fact in it, but unless carefully explained, it holds far more error than truth. If exception be made of the more ignorant members, the better unions in the United States do not fight the machine as such. Their opposition is against the way in which the machine may be made to readjust the wage scale within the labor group whose interests are immediately affected. In the conflict between employer and employed, the "storm centre" is largely at this point where science and invention are applied to industry.

The hard lesson which the employer has to learn is that he cannot alone and arbitrarily decide this question of machinery. The instinct of the trade union to have some "say" about this is a perfectly sound instinct. Yet the union has also to learn its lesson, that the new inventions must be put to their tasks without any of the stupid hindrances which discredit many of the English unions and which are far too prevalent in certain American unions.

It seems again on its face very senseless for a union to oppose piece-work. But when one sees that piece-work may be used like a new invention, to change the wage scale, keep down wages, and increase the stint of work, the reason for this opposition appears. There are shops in which piece-work results in changing the wage scale three times in a year. It so fre-

quently happens that the readjustment lowers the wage that piece-work becomes an object of suspicion. I have had the plainest admissions from employers that the trade-union resistance to piece-work was wholly justified if the resistance could be guarded from abuses.

So also the "un-American way" of restricting the ability of exceptional men, the "levelling down to inferiority," and other confident charges made against the unions are seen to have so much justification in actual experience as to leave the student far more tolerant even of the abuses connected with them.

These illustrations may make clear why I have been led in the following chapters to use with so much freedom purely personal opinions that have been expressed to me during twenty years of investigation and lecturing upon the topics here considered. It has not, in most instances, seemed to me fair to give names. The opinions were in many instances given on the express condition that the name be not used. That this is open to censure and may be thought to constitute a weakness in the book, I readily admit. The responsibilities for the weakness I must accept. I trust that some corresponding advantages may appear in the result, as I report from responsible men on the labor side, from socialists, business managers, engineers, and capitalists alike.

It was another inexcusably slow discovery that most men do not put their deepest opinions into print, or state them before the public. My first clear conception of this was in listening during a semester to a German professor. From these lectures and from

a stiff volume that he had already published, I believed myself in possession of his most important opinions. In later and more personal conversations with him, I found another and very different man, of whom no printed utterance would have given me a glimpse. He was far more radical, far bolder in his critical restrictions about the institutional life about him, and far more willing to welcome great changes in our social organization.

I do not impeach this man's sincerity. He was giving to me the freer and more extemporaneous opinions that are habitual in private intercourse. In those moments he was unconcerned about the maturity or coördination of his views. I yet believe there was more of the real man in his conversations, more even of his real thought, than in the elaborated and guarded utterances as publicly expressed. In the whole class of socially disturbing topics the freest and deepest opinions are not usually printed in a book, and, so far as this is true, one has to go elsewhere for full evidence.¹

Many of the socialists who make the best literature for the propaganda, do not, any more than the professor, put all their real opinions into their publications. Like the respectabilities among the bourgeois, they have opinions for dress parade—opinions that are safe and orthodox for the cause they represent. They may publicly maintain with great vehemence the essential integrity of Karl Marx's

¹ Professor J. W. Jenks tells me that in his long and exhaustive investigation of the "trust," by far the most important facts about the purposes and methods of these combinations were only secured in private conversation.

theory of socialism. In private they may admit to you, as the best-trained French and German socialists have admitted to me, that Marx's fundamental doctrine of surplus value is unsound. Another may have philosophic training enough to challenge Marx's fatalistic theory of history. I asked a cultivated Belgian socialist why he did not openly proclaim these doubts about the "master." "We can't yet afford," he said, "to embarrass our cause by displaying doubts about the theories on which it is believed to rest." The value of these private opinions is priceless because they point the way along which the less enlightened mass of socialist thought will follow. A collectivist editor in Paris gave this reason why he should not expose these doubts about the sacred traditions: "You must have," he said, "a certain unity and completeness of form in your exposition, or it loses literary effectiveness. I must have this, or I could get no scholars to read what I write." It is precisely this vanity for what will excite academic or conventional approval that devitalizes so many books. To appear "scientific," "to display unity of treatment," to have showy classifications in which new technical names are given to very well-known and commonplace facts, is the subtlest form which temptation puts on for these ambitions. This is not harmful among subjects where a "synthesis" is possible, where "form and completeness" are in any way attainable; but in those studies that have to do with the vastness and complexity of human society and its reorganization, the craving for these literary and scientific graces has left a great deal of our printed sociology chillingly empty of result.

For this very reason our need is the greater for genuine opinions and simple facts, even if the time is not yet come for their more systematized exposition.

Not only socialists but many of our most influential trade-union leaders have grown into larger opinions than they can yet enforce upon their followers. They are as a unit upon the importance of keeping every contract their unions sign with employers. They are as a unit against all violence against non-union men. They are often helpless before the impulsive action of some local union, but their unquestioned policy is to strengthen their organization at these weaker points. There are other issues upon which they are forced to be as politic as a "dynamic clergyman with a static congregation." Too many of the workmen are not yet enlightened enough to take the larger view. There are unions, for example, in which the amount of work done is deliberately restricted as a matter of principle. I have talked at length recently with the head of such an organization. He said to me, "I know perfectly well that the policy is suicidal. I know that a smaller output means, upon the whole, less comfort all round. The men are under the illusion that there is only about so much work to be done and they want to 'stretch it out,' or 'not use it up too quick.' I have several times got a lot of men together and explained to them why the policy is a bad one. But if I were to be too strict I should lose my place, and a man would be put in who wouldn't try to educate them into better sense. In time we can teach them better. When the employers lecture them about this they all think he is simply trying to get more work for the

same money. When I lecture them they at least begin to talk it over and think about it."

Another source of penetrating criticism comes from a certain contemplative type of successful business man who can rarely be induced to put his strictures in print. I have, for instance, never heard an abler defence of Henry George's theory of the single tax than from a man who had made a fortune in city land speculation. He did not like to apply the theory to the country at large, because he thought that the practical difficulties would be too great; but for municipal areas he came to believe that we are simply stupid not to turn the enormous land values created by an increasing population into the public treasury.

In gathering evidence for a report on German workingmen's insurance, I found that the published opinions of many business men in that country had upon the whole a very different and certainly a far lower value than opinions one could get from them in conversation. One of our own trust organizers has published valuable opinions on the subject of the trust. In private, I heard him analyze the actual dangers of the trust with a searching skill that I have not seen equalled. I asked him why he put none of these views into print. He replied: "Those are things a wise man doesn't say in public. I am not advertising the weakness of the trust."

Now it is the very things "the wise man does not say in public" that I wish to get in as evidence. I would not exclude the soberer and more cautious public or printed view, but the further emphasis which I venture to give to the open and unreserved opin-

ions which men express when free from the shadow of an audience, or when they are not expected to stand by the temporary stock interests of their class, may at least supplement other forms of testimony. More than this I will not claim for it.

If this evidence seems like a too irresponsible sort of gossip, I can only answer that the volume contains no reference that is not the honest expression of opinion by men whom the investigator would naturally seek as most likely to throw light on his subject.

It is true that these critics are exceptions. The prevailing commercial opinion is that which justifies the methods under which one's wealth is gathered. It is doubtful if any bias exists at the present day that acts with more blinding power upon men than the bias associated with their money income. There is scarcely any rich source of pecuniary profit for which the average citizen will not find ethical justification. During my first visit to the anthracite coal fields, I found a coal operator who was making large profits from a private bar to which his miners were expected to come for their drink, as they were expected to patronize his company store. He had no difficulty in defending this retailing of liquor on what he insisted were moral grounds. The miners could be more easily guarded against excesses. They would spend less money than in the low grogeries of the town. Certain miners' wives had expressed their gratitude to him for these benefits. There was perhaps no conscious humbuggery in this, but the profits on his gin and whiskey were so alluring as to bias his judgment. The proof of this came in abundance from his fellow-employers who did not or would not keep

a bar. Free from the bias, they were unqualified in their condemnation of this source of income for one in this employer's position. In the same way practically every business abuse against the miners is condemned by those employers who have got rid of the abuse. The "company store" began as a necessity for the miners, but when the town grew and private stores everywhere sprang up, the miners naturally preferred to buy, as the rest of us do, where they liked. The company store from this time on was a reproach to the best business management. Yet I never knew an operator, still maintaining one, who did not argue with unction and fervor that they were very beneficial to the miner and his family.

If one to-day go through those regions, asking right and left among those who have discontinued the company stores, he will hear the frankest admission that it had long since come to be a nuisance and without any justification. In 1900, when operators were indignantly defending their method of selling powder to their miners greatly above the market price, I found that the operators who did not do this, had only sarcasm for the ingenious reasons which the other employers were giving. The president of a company told me: "The miners are perfectly right in their contention. It is true that the higher price entered into an older agreement, but this clumsy method of paying wages is one that any first-rate business man ought to be ashamed of."

The miners in the recent strike (1902) asked among other things, to have the coal weighed as it comes from the mine, and to be paid by weight rather than by car-load. They honestly believe that they are

cheated out of a portion of their earnings. The employers, who still pay by this rough and elastic car measurement, would make the inquirer believe that the miners' demand is as ignorant as it is absurd. Fortunately a small proportion of the coal now mined is paid by weight. Among employers who have adopted this method, I found the strongest convictions that the miners were in the main right about this issue.

Again, when one sees the conditions under which the "pumpmen" work for twelve hours daily in the mines, he is curious to hear what defence can be made for such slavish toil. The first employer I asked, said: "The pumpmen are not overworked. They would be perfectly contented if the trade-union bullies would let them alone." The mine boss and the superintendent know what the pumpman's life means. When they were convinced that their names would not be used, I got from them the most pronounced opinions that eight hours a day is long enough for pumpmen to work. The superintendent said, "The man who denies the grievance of the pumpman either does not know or does not care how men are used."

There is no great business that does not thus open to the investigator, from its own inner circles, the most trustworthy evidence concerning abuses. From evidence of this character, we may get invaluable hints as to general industrial tendencies and to possible improvements. There is invariably a small minority of men who in speculative discussion will freely take the larger social point of view, even if against their interests. A far larger class must first have thrown off

the abuse before unbiassed judgment becomes easy. In most business communities may be found a type of business man who has retired long enough from active work to look with a certain largeness upon these labor questions. They are among the best of witnesses. A retired shoe manufacturer in Massachusetts, who now ranks among the rich men in his community, has told me that the whole problem had entirely changed to him as he looked back upon the thirty years of chronic struggle with the trade union. "They make a good many stupid mistakes," he said, "but an organization strong enough to fight the employer is a necessity to labor. Competition so forces many of the best employers to copy the sharp tricks of the worst employers in lowering wages, that the trade union must be equipped to fight against these reductions, or for a rise in wages when business is more prosperous. I have fought the union in more than twenty strikes, but I can now see that they were at least as right and as reasonable as I was." It is this kind of evidence of which I make very free use in this volume. It has the competence wrought out of long experience. It is dispassionate and disinterested. This man had been separated from the tug and warfare of practical affairs long enough to see them in their larger social relations. Any one who had gone to him in earlier days, when he was in the heat and turmoil of his occupation, would have got simply a snap-shot judgment based upon the supposed business interests of that moment. It would have its value even then, but not the value of the later and calmer mood.

There is in this volume very frequent reference to

problems arising in the coal industry. This is done partly because of many visits to the soft- and hard-coal regions. It is further due to the fact that no business presents a better point of view for study, either of practice or of theory, in the labor question. I have excluded the soft-coal interest from the present discussion because the very immensity of area covered leaves it still open to general competitive influence. With the exception of the remarkable common organization at this moment existing between the federated trade union and the employers, it throws far less light on the subjects herein treated. The hard or anthracite coal is lodged by nature in so compact a pocket; it has so much the character of a monopoly, in spite of soft-coal rivalry, that it stands out in admirable relief for investigation. During the last eighteen years I have visited every important strike in these regions. Nowhere can one see quite so clearly the relation between business proper and the various harassing problems that are more and more to challenge our corporate good sense. This business is on the competitive outskirts where the merits or demerits of further state interference and regulative legislation are likely to be forced upon us at no distant day. The last strike marks an epoch in the development of socialistic thought in this country.

CHAPTER I

SOME GENERALITIES

THOUGH the tides of business prosperity are just now at their height, a plague of embittered strikes has fallen upon our industries. Especially have they fallen upon interests that are partly of public character or (what is fast becoming the same thing) upon those that have grown great by combination. Over-topping all others has been the prolonged and momentous strife in Pennsylvania. In the anthracite coal regions the miners won in the struggle of 1900, but the victory brought little contentment. It was followed by more than a hundred local strikes, only to break out at last into a strife that has stirred public opinion as no other event in our labor history.

From the time when the government first began in 1881 to make record of labor controversies, the list swells to more than 3000 strikes in the coal industry. Between 1881 and 1900 there were 2515.

This has led to the common assertion that labor disturbances are in some way peculiar to coal mining. Very special features attach to the extraction of coal, but the unrest as marked by strikes is precisely what one finds, for example, in the metal, clothing, and building trades; strikes in the building trade are indeed highest in the list. It is yet true that no industry offers the student of social unrest a fitter field for study

than that small patch of country in Eastern Pennsylvania lying between the Delaware and Susquehanna rivers. Nowhere can one get nearer to the heart of the conflict. Every question that socialism will more and more force upon the political stage can here be read as upon an open page. Nowhere has competition among private owners worked more relentlessly to its own final undoing. Not even from socialist critics does one anywhere hear more fault-finding with unrestricted competition than from the lips of employing operators. Here are priceless "royalties" for absentee owners. Here in recent years may be seen that high capitalization which gives the hard-pressed operator his excuse for paying low wages. Here competition among the laborers is so unremitting that the 147,000 workers are occupied hardly 190 days in the year. Including Sundays, this means some 175 days of enforced average idleness. For the masses of breaker boys, as well as for the less sturdy among the adult miners and their helpers, this habitual irregularity of employment breeds the habits that make the excesses of the strike inevitable.

Among the employers the old chaos of competition has been overcome by organization, but a forced chaos remains among the miners. An absurd surplus of some thirty thousand men hangs about the mines, and every attempt that they have made to secure the real advantages of organization among themselves has been fought with obstinate ill will by the masters. When individual and local unions were established, the natural and necessary impulse was to federate them into an organization strictly comparable to that which capital had won at the top. The masters left

no device unused to defeat this new step. At first their formula ran thus, "I will deal with my men one by one; I will not deal with them as a union." Later one heard, "I will deal with the union in my own business; I will not recognize any one who comes from another union."

In 1900, when the unions of the hard-coal region were so strongly organized that the fact could not be ignored, I heard a few employers grudgingly admit that they should be compelled to do business with this group of unions, but never would they at any cost recognize the representative of the soft-coal miners. In 1901 I heard the details of a plan by capitalists to bring both the soft coal and the anthracite together into one common organization. I asked how it was possible to control the thousand loosely scattered bituminous mines. He answered: "Simply because we have got the railroads. Through railroad control we have got the anthracite where no independent operator can trouble us a bit. To control the soft coal is of course far more difficult, but it is not difficult if we have, as we shall have, proper control of transportation." I have seen few more uncompromising enemies of trade unions than this gentleman. Yet he had come to see that some sort of general organization among the miners must be tolerated among the hard-coal workers. I submitted the question, "If you are, as you say, to extend the principle of organization over both bituminous and anthracite, why should you object to the common union of labor in both regions?" His reply was that business could not be carried on under such a tyranny as this would imply. Unified control was

necessary for capital, otherwise, he said, "we shall always be fighting our competitors in the soft-coal business just as we used to fight each other in the hard coal."

Like many another employer who urges the necessity of capitalistic organization, he denies this corresponding right to his miners. You ask if the reasons for combination are less strong upon one side than upon the other, if competition works less incessantly among laborers than among employers; the answer is, "No, but the miners have come to be so bad a lot that organization is unsafe in their hands; the trade union destroys all discipline in the mines." It is true that the presence of sixteen nationalities, many of them with the lowest standard of living, is an extremely annoying fact, but the employing class has its definite responsibilities for the present quality of miners. Such as they are, they have been *expressly encouraged to come, in order to keep wages low.*

Many of these facts are common to other industries. For the social investigator they get, however, an added significance from the monopolistic character of this business made possible by the centralized control of tide-water facilities and railway transportation. Ownership and control of this business has been transformed. The determining factor is now the railroad — a semi-public corporation. When the employer now says, "I will not arbitrate; I shall run this coal business as I like, because it is my property," even the miner has come to see that this attitude is incongruous and out of date.

During the strike of 1902, hundreds of papers of both political parties met this refusal of arbitration

with every degree of picturesque denunciation. Those of the future will look upon this strike as a landmark in the rapid crystallization of socialistic opinion in this country. But the effect upon the miner and his fellows has been just as marked. He is receiving more socialistic instruction from his employer than from all the agitators combined.

It is this new consciousness of difference between a really private business, like a corner grocery store, and one that has ceased to be private in that sense, which so heightens the value of this type of industry as a social study. If the socialistic spirit is to be held in abeyance in this country, businesses of this character must be handled with extraordinary caution. The attitude expressed by, "I refuse to arbitrate because this is alone my business," is foolhardy in proportion as the business is obviously semi-public, as the hard-coal business with its dependence on the railroad now is.

The essence of arbitration in a business of this character and magnitude is an acknowledgment that the public is concerned in the dispute. With the multitude of smaller industries freely open to competition, we are not shocked that they should be treated as strictly private, but in the exact measure that their service to the public rests upon special privileges granted by public authorities, shall we rightly demand from them responsibilities that are not merely private. If those who have this business in charge are not strong and adroit enough to hold these chronic disorders in check, the call for some form of state control will steadily increase among us. The public has learned that to run the

railroads, together with the chief portion of the mining area, is to get a monopolistic advantage under which the consumer may be made to pay in higher prices every penny that the strikes cost.

In Lattimer, when an awkward squad of Hazelton citizens, hastily extemporized into constables, had shot a score of miners, I asked an operator about the probable cost of the strike. "But you don't suppose," he answered, "that we coal men are to pay the bill? Anthracite coal is a luxury, more and more in demand. The people must have it. We mine forty million tons a year, and an addition of even fifty cents a ton means money enough to pay big bills; but if we added a dollar a ton, the coal would be used."

The difficulties of socialistic administration are seen to be so great, that the business sense of the American people will be careless of monopoly privilege in private hands so long as it is free from conspicuous abuses. As this coal business is now managed, abuses are inevitable. The railroads have a double business. They mine coal, as well as transport it. A given road, at one moment, may be apparently losing money as a miner, but making rich profits as a carrier of coal. I have known a man with special training for this work to exhaust all his resources in efforts to discover how accounts in this double business are kept. His conclusion was that this shifting relation not only could be, but had been, used to keep wages down. Even if untrue, it has become a source of angry suspicion which is felt, not only by the independent investigator, but has at last reached the miner himself.

At the strike in the summer of 1902, among the

grievances which the miners enumerated, I heard for the first time this common complaint: "The operators told us in 1900 that the business couldn't possibly afford the ten per cent advance, but they gave it to us when they had to, and still made good money. Prices have gone up so much since then, that this ten per cent advance has been swallowed up. We ask for more, and are told that profits are so low that no higher wages can be paid, but we can see that the railroad side of it is making plenty of money, and it looks as if they were taking it out of us."

For the first time I heard among the miners the talk of "overcapitalization." "They put so much money and water in here, and then have to pay dividends off the whole of it. That makes an excuse for squeezing us. President Baer says he must look out for the interests of his stockholders, and so can't give us an advance. If they hadn't put so much water in it, they could have treated us decently." The miner is merely saying what half our papers print, and what many competent business men believe.

Here is the exact ground why, for business of this character, the intelligent demand for "publicity" and uniform and intelligible methods of bookkeeping, is more and more insisted upon by the public, by students, and even by some of our foremost business men. The highest business administration cannot afford to be carried on in an atmosphere of justified suspicion that angers the public and the laborers alike. This atmosphere of justified suspicion is the direct source of the most threatening unrest now in our community. It is certain that a great deal of it

can be removed by an open and fearless recognition that these half-public corporations have become so far "socialized," that the old rights of secrecy have lost their warrant.

It is at this point that the first real difficulty appears. There is no way to make this principle of "publicity" effective without an extension of legal regulation.

The reasons for this extended activity of government are not fewer in the United States than among any other people, but the practical difficulties are far greater here, because of the divided authority between the central government and the states. But the practical embarrassments in which this divided authority leaves us, constitute a very breeding ground for the growth of socialistic sympathy. The ordeal which we cannot escape is, that, in spite of these added perplexities, the battle has to be fought out on an area that is essentially an area of politics.

Yet powerful business interests will fight the provisions that constitute this social politics wherever its aim is to raise the standard of the workingman's life. They will oppose them as they oppose the really effective organization of labor; as they oppose the legislation that would eliminate the child from industry, or give to those stricken by industrial accidents a properly organized method of compensation.

In the long struggle before us to learn to use these principles of regulation with unflinching fairness to the weak as well as to the strong, we are beset by two difficulties, — one that has come to be temperamental, the other economic and political.

No people was ever born so gayly and so confidently

indifferent to history and experience as the people of the United States. During the Civil War, Charles Sumner was patronizingly assured at a London dinner table that the North could not conquer, "there was no history extant to warrant such a hope." With a humor he rarely showed, Mr. Sumner replied, "Thank God, we do not know any history over there."

A foreign scholar, knowing the United States well, himself equipped by large experience in English colonial affairs, does his best in Washington to put his knowledge at the service of those upon whom the heavy burdens of our new dependencies had fallen. Our lack of experience and consequent ignorance were complete. Why should not the Congressional committee having these things in charge delight to listen? England's long mastery of colonial policy is known to all. A man ready to interpret this experience is at hand, but he finds that no soul in Washington has the slightest curiosity about this almost greatest of English achievements. He says to a friendly member of the Cabinet, "But you Americans do not even want to know the experience that would throw light on your own present problems." One of the best and most skilled of our politicians tells him, "You are right; those that need the knowledge most would not even cross the street to listen to your exposition, or if they did they would not take you very seriously. We shall blunder through it in our own way."

There is much to be regretted in this unconcern, but perhaps, for the special problems involved, something that we should approve. This good-natured contempt of experience means sad waste in duplicated

experiments; it means costly delay in administrative adjustments, but it also means a carelessness of precedent, as precedent, that is often the very condition of brilliant accomplishment. An English engineer said in this country, "Because a thing has been done in a certain way in England is still reckoned among the reasons why it should continue to be done in something like the same manner, but with you in the States it is reversed. To tell an American machinist how a thing has been done, actually seems to him a reason for *not* doing it in that way any longer." Whatever of speedier advantage comes to us from this adventurous spirit in the sphere of mechanical contrivance, there is consequent loss and embarrassment for the whole remedial side of the social question. This experience has been dearly bought, and much of it has failed, but that which has succeeded is very precious as a model.

It is conceivable that impatience and unconcern about past experience may be a gain to the inventor, but they cannot be a gain in developing the kind of legislation of which the English Factory and Truck acts are an example. Uniform legal protection against certain capitalistic abuses on the one side, and against the exploitation of certain low-class labor on the other, stands for the next step toward social safety. We cannot skip the definite and successful experience of other nations in dealing with a class of evils of which industrial accidents and child labor may be taken as examples.

The shrewdest foreign observers who have ever visited us, like Herbert Spencer, have noted what Lowell called the "divine patience of my fellow-

countrymen under abuses." This temper coupled with a commanding material progress makes us impatient with the fault-finder. Yet a promiscuous optimism about everything in particular may be just as harmful as a uniform pessimism. We have to learn the full meaning of specific sources of social weakness in the elimination of which legislation has to play a part. This leads from the temperamental to the business and political difficulty.

It will appear in the clearest light if seen through an illustration about which every reader may easily acquire trustworthy information.

In 1902, I saw in Georgia and Alabama troops of children, many under twelve, working the entire night. I had previously heard every detail of this ugly story, in which northern capital is implicated as much as southern, yet nothing but personal observation would have made me believe the extent to which this blunder goes on in our midst. Whether one finds this evil in New Jersey industries, among Illinois glass-blowers, on the Chicago streets at night, or in the merciless sweating of the clothing trade, it is an excuseless wrong for which no extenuating word can be uttered. It is a source of disease, crime, and social weakness. That it is not a purposed cruelty, does not change the fatality of the result. A kindly employer in Alabama tells me, "Yes, it is bad, but the parents of these children will have it." Every argument reproduces to the letter the excuses of employers two generations ago, when Shaftesbury began his great struggle against child labor in England.

This stunting use of the child in industry is but a

part of what is perhaps the most threatening fact of the new century, the wider and more relentless use of every known agency to keep wages (and therefore the standard of life) as low as possible. This purpose is not malicious or even quite conscious of its end. It results from the enlarged world area on which a fiercer competition now acts. The practical exigency of this commercial struggle will appear to justify every competitive use to which lower and cheaper standards of living can be put. Women, children, negroes, the inhabitants of our new dependencies and every shade of immigrant, will one and all be used like pawns in the great game of immediate business advantage in the markets of the world.

I asked one of the largest employers of labor in the South if he feared the coming of the trade union. "No," he said, "it is one good result of race prejudice, that the negro will enable us in the long run to weaken the trade union so that it cannot harm us. We can keep wages down with the negro, and we can prevent too much organization."

It is in this spirit that the lower standards are to be used. If this purpose should succeed, it has but one issue,—the immense strengthening of a plutocratic administration at the top, served by an army of high-salaried helpers, with an élite of skilled and well-paid workmen, but all resting on what would be essentially a serf class of low-paid labor and this mass kept in order by an increased use of military force.

If there is any escape from this peril, it is in the slow building up of that system of labor protection known first as factory legislation. What is best in

this legislation is not something standing apart from, or in antagonism to, the forces of public opinion, but the deliberate and express record of that opinion about the hours and conditions under which it would have a large part of society work and live. In countries like England and Switzerland, no existing agencies have done so much as this form of legislation to save the labor standard from sinking to lower levels. In our own country the same legislation in Massachusetts, incomplete as it is, has worked with admirable results.

The precedent of experience is in all this the only possible guide. Most of the horrors connected with sweating in the making of clothes could be stopped if other states had enforced a legislation as good as that of Massachusetts. The law holds this special evil in check in the city of Boston. The rivalry among our states to attract business or to prevent its escape makes a difficulty which no other nation feels in giving shape to this legislation. A speaker before a committee on child labor in Alabama says, "We get a great advantage over the North, if we work twelve hours and have child labor." For every immediate business interest this appeal is dangerously effective and will long constitute a baffling perplexity in creating that body of regulative measures which is now recognized to be as necessary for the "trust" as for those conditions under which multitudes of women and children work.

It was once believed that the strife of multitudinous private interests, if freely followed, would lead to the maximum of common gain. It was believed that the essence of economic wisdom was merely to

keep hands off. This position of the extreme individualist, as of the philosophic anarchist, has a rare intellectual fascination. For speculative enchantment, it is easily supreme among social theories. But the moment we touch the world of human action, the moment we arrive where people are hard at work, it appears that this policy of "let alone" is as definitely discarded as the whale-oil lamp. Neither tory nor liberal, republican nor democrat, pretends any longer to "let things work themselves out." Every government, democratic and monarchical as well, deliberately adopts a policy of elaborate legal regulation. Nor is there anywhere a hint that this is to lessen. Communities differ as to the emphasis that shall be placed on social regulations. New Zealand goes to greater lengths than Denmark; Switzerland, in many things, further than England, but all alike accept it as a practical working finality that competitive forces cannot be trusted to work themselves out alone. They are brought under some measure of permanent social regulation. Among men with responsibilities there is now no dispute except as to the forms which this regulation shall assume and the degree to which it shall be carried.

We need no longer call in the socialist to testify against the uncurbed struggle in industry. The last twenty years have taught the lesson so thoroughly to our foremost business men that they are becoming our instructors. Not alone with transportation, but with iron, with textiles, with insurance, with banking, and with many of the commonest products, the unrestrained scramble of private interests is now seen to be intolerable. Good business now sets the limit

to competition by organizing coöperation. To check and control the excesses of competition has become the mark of first-class ability. A railroad president has been dismissed because "he insists upon fighting other roads instead of working with them." According to his own account, the head of another road owes his appointment to the fact that (in his own words) "I was known to have some aptitude for working with rival interests." Yet the term "legal regulation," as applied to industry, is still an offence to the American. He has not learned that this regulation is but a factor in what we all now agree is the capital fact of industry—organization. The term "industrial organization" carries no offence, but is seen to be the next great step even in further material progress. On the side of capital, organization began for the sake of safer dividends. As business enlarged, and came finally to touch the wide and permanent wants of the consumer, organization from the public point of view was also found to be necessary. This completed organization is impossible without the assistance of legal regulation that is superior to every separate interest.

What is now forced upon every critical observer is the degree and extent of purely chaotic forces on the industrial field. Competition as such has no tendency to remove this mischief, rather indeed to aggravate it when business has reached a given stage of development. The great lesson that employers have to learn is that organization has done but half its work when their own end alone is systematized. Organization has to pass straight through from top to bottom, *including labor as well*. A part

of this lesson for the employer is that the sympathetic coöperation of the labor group is an absolute necessity if industrial peace is to be won.

In the recent strike (1902) of the hard-coal mines, an employer said to me, "I have been in this business more than twenty-five years, and it seems to me I have been in the strike business rather than the coal business." I asked him if he and his friends had any policy about the disorders; he replied, "No, only to smash 'em." For many years in these mining towns I have heard this answer from employers. As long as coal operators were fighting each other and fighting the railroads, there was more excuse for this guerrilla warfare with the unions; but now that combination has come, "smashing 'em" cannot conceivably remain the method of directors competent to manage the business as the public will demand. It is cheering to find younger men now prominent in these affairs who see this.

After the miners had won their strike of 1900, some of the companies began to put stockades about their breakers. I asked why, in time of peace, this should be done. "Oh, we shall soon enough have another fight, and we propose to be ready for it. To make a concession to a trade union means a fight at the end." I later spoke of this with one of the younger, but admittedly one of the most competent, company presidents in Pennsylvania. He said: "This whole policy with the trade union is out of date. There must be an end to a situation that breeds warfare as regularly as the seasons come. The trade union is now here, and we shall not get rid of it; I, for one, believe that we ought not to get rid of it. It has got to be recognized in

spite of all that this means. It will make our work for a long time harder and more disagreeable, but the truth is that we employers have got to learn the lesson of working harmoniously with organized labor." I asked him how this should be done. "We must do it by a slow process of education, we must meet their representatives in a systematic way, and teach them about our business so far that they will learn to act reasonably. That is the task before us." This gentleman acknowledged that a good deal of publicity would be necessary in this relationship with trade-union committees. "We cannot educate them," he added, "without letting them know more about our business than they have ever known. They must study the market conditions, freight rates, and the great difficulties like irregularity which bother us as much as it bothers them, and we must help them to do this wisely and fairly."

Returning to New York, I took these words to a railroad president upon whose opinion every student sets high value. "I would not," he said, "change a word in that statement. To assume that we have got to go on spasmodically fighting the unions, is tactless and unintelligent. The truth is that the kind of man who is not strong enough to work with organized labor has not the qualification for his position. It is silly for powerful corporations to say, 'We will deal with individuals, not with representatives of unions.' Organization of labor has got to be recognized as such, and dealt with as such, and the problem now is to get men with the qualities and capacities to do this." On the other hand, the unions have to learn their own lessons.

The public is at present very free with advice. "Let them incorporate and give proper guarantees that contracts will be kept, then employers will know where they stand." Somewhere in the future, incorporation may come, but, as I shall try to show later, the employers and the public have certain duties to perform before incorporation is safe for the union or wise for society.

So ingrained has become the suspicion in the trade union that it sets its face against incorporation. It fears to trust its funds to ordinary court decisions. Judge Jackson of West Virginia uses these words: "A professional set of agitators, organizers, and walking delegates, who roam all over the country as agents for some combination, who are vampires that live and fatten on the honest labor of the coal miners of the country, and who are busybodies, creating dissatisfaction among a class of people who are quiet, well disposed, and who do not want to be disturbed by the unceasing agitation of this class of people." The labor papers print these words with comments like the following: "Can we trust ourselves and our friends in the hands of a man who shows such temper as this upon the bench?" They say: "Incorporation in time of trouble involves legal penalties which the courts must enforce. We do not trust their fairness on such issues." Good lawyers are very indignant at this, but no man who will look through the labor press of the last three or four years will doubt the fact, however silly the opinion may appear to him.

I have heard a lawyer, often called the leader of the bar in his state, say that he did not dare to quote

the corporation law of Pennsylvania, because it bore such marks of gross partiality to capitalistic interests. All that organized labor in the United States does, is to enlarge the lawyer's judgment.

There are few unpleasant facts than this honest suspicion of organized labor that capitalistic organization means to use against it every weapon that public opinion will tolerate.

This suspicion appears inexcusable to those who do not know the history of the union. In its long struggle against the hard practices of certain employers, the trade union has been taught its worst abuses. President Eliot justly puts down the boycott among the sins of the union, but for a quarter of a century in Massachusetts the employers used the boycott of the "blacklist" so effectively, that the unions took the hint. Labor leaders of such influence as Ira Steward, George E. McNeil, and George Gunton were trained in this school of the employers' blacklist. It was this same spirit that made the necessity of the walking delegate. A class of men like the paid secretary had to be created in order to protect the union in those early days when the agitation for an elementary factory legislation began. Scores of labor men prominent in the ten-hour campaign were black-listed. It is this long memory that now plagues us in these problems. Behind the "restriction of output," behind the dislike of new machinery and piece-work, is the memory of days when new inventions were so freely and rapidly introduced that no check upon the speed was possible. The union did not exist or was too weak to protest. The "pace setter" flourished, and piece-work, like the machine, could be used to

quicken the step. I have heard older men tell of these days, when every device was used to set the standard by the fastest workmen in the room. Even where the "pace setter" has wholly disappeared, the recollection of this is vivid. Labor organizations are not to be judged apart from those early struggles. Side by side with errors and abuses is a story of heroism and self-sacrifice.

People eager to know the truth are perplexed by the evidence in the great coal strike, but that conflict cannot be understood apart from its history. I asked a pastor to give me a list of his older and best family men out on strike. In a single parish, I talked with eighteen of these law-abiding miners. As if one man spoke for an experience common to all, it was the memory of long years of hardship, of greater and pettier wrongs, which nerved the striker in that struggle. These memories may be very harmless in their individual expression, but the trade union guides them into a new channel where their force becomes serious enough. A degree of strength and independence of labor organization has now been reached in the United States which makes a new danger. It cannot be fought on the assumption that the union is to be destroyed, without intensifying every bad quality in it. The trade unionist knows that he has helped to raise wages; that more than any other, he has brought about the best of our labor legislation. He knows that the main struggle now is to raise the standard of living in his entire group. Every determined effort to crush the union, therefore, appears to the members an attack on their own aspiration for improved social life. Yet it is the determination of many of the

strongest business men in this country to cripple these organizations if it can be done without the indignant protests of public opinion.

It is customary to speak fair words about "the right of labor to organize," about the usefulness of the trade unions "when they keep to their proper business," etc. Employers spoke very friendly words of this kind before the recent industrial commission, but the labor organization which most employers approve is a docile, mutual-benefit association. It is a trade union that makes no trouble for them. The actual trade union which exists to maintain what it believes to be its group rights, to make its bargains collectively and struggle for every advantage it can get, few employers would tolerate an instant if they could avoid it. A great packer in Chicago is on record as a friend to unions, but in that vast establishment the union was ruthlessly crushed. Mr. Carnegie writes thus in his "Gospel of Wealth," p. 114:—

"The right of the workingmen to combine and to form trade unions is no less sacred than the right of the manufacturer to enter into associations and conferences with his fellows, and it must sooner or later be conceded. Indeed, it gives one but a poor opinion of the American workman if he permits himself to be deprived of a right which his fellow in England long since conquered for himself. My experience has been that trade unions, upon the whole, are beneficial both to labor and to capital. They certainly educate the workingmen and give them a truer conception of the relations of capital and labor than they could otherwise form. The ablest and best workmen eventually come to the front in these organizations."

This passage requires attention. Mr. Carnegie has had long experience with unions. He here finds them "beneficial both to labor and capital." He says they educate labor and that the ablest and best come to the front in them. This is the polar opposite of what so many employers are now telling us. This was written in the *Forum* in 1886, and reprinted in 1900. In spite of this fine tribute, the actual unions in the great shops where he made his millions were destroyed. I was told by one of the strongest men in that company, "We would use every resource within our reach rather than have a trace of unionism in our shops."

Neither did Mr. Schwab (though practical concessions have since been made) conceal his opinion about the unions before the industrial commission. These men know they may get an economic advantage over England if they are free from the restraints of unionism. Every one is now told that the English union checks production; that unions will not drive at full speed. There is much truth in this, and the inference we are expected to draw is that, if we had no unions, a still hotter speed of production could be maintained. It is beyond question that labor in some sense interferes at this point.

The employer objects to "interference," but a strong labor union can scarcely exist without what most employers would *call* interference. To apply the collective principle in fixing the wage scale, lowering the labor time, improving sanitary or other conditions for the whole body of men in any mill *is* interference. When unions are federated, a member is necessarily chosen to represent the combined labor

interests. This is disliked by the employer more cordially still, but it is a condition essential to federated labor. If there is added to these issues the most burning of them all, the manner in which wages are readjusted by the introduction of new inventions, we shall see why employers set so high a price on freedom from all these annoying inconveniences and delays. With the exception of certain industries, these vexations are inherent in the relations between federated trade unions and the employer. The signs are many that our industrial managers will not brook the hindrances incident to well-organized trade unionism. The new attitude throughout the South reflects the less outspoken feeling of the North. One among many clippings may show the form which this opposition takes.¹

It is not probable that employers can destroy unionism in the United States. Adroit and desperate attempts will, however, be made, if we mean by unionism the undisciplined and aggressive fact of vigorous and determined organizations.

If capital should prove too strong in this struggle, the result is easy to predict. The employers have only to convince organized labor that it cannot hold its own against the capitalist manager, and the whole

¹ New Orleans, August 30. — "In view of the numerous strikes here and the still greater number threatened in the building trades, the architects, builders, and contractors have taken preliminary steps to protect themselves against further disturbances by calling a mass meeting of master builders and of employers in affiliated trades. It is openly announced that the purpose of the meeting is to declare war against the unions, and to begin the war at once instead of waiting for the unions to strengthen themselves and precipitate a strike when they get ready, which it is understood is their plan."

energy that now goes to the union will turn to an aggressive political socialism. It will not be the harmless sympathy with increased city and state functions which trade unions already feel; it will become a turbulent political force bent upon using every weapon of taxation against the rich.

Those who represent the interests of capital must make the choice. With magnificent energy they have created an industrial organization that no other nation now matches. Will they use some fair portion of this strength *to complete this principle of organization so that it includes those who help them do their work?* or will they, in the fighting spirit of competition under which they were bred, insist upon an unrestrained and unmodified mastery? No skill in ornamental institutions of the Cash Register type will suffice. It is conceivable that a genuine application of profit-sharing, or a systematized distribution of safe stock among the men, would go far to free industry from much dangerous friction. Two of our foremost business men have given special attention to this last proposal. Neither is likely to try it from a lurking fear of ugly reaction among the men in case the stock should depreciate. Both think the scheme of profit sharing too sentimental and too difficult to put upon a secure business basis. They admit that many experiments of this character are possible with semi-public corporations like the railroads and street cars, but with private industries subject to all manner of unforeseen fluctuations on the market, together with the suspicious opposition of the trade union to all plans for binding the laborer to the employer's business, the difficulties appear too great. One of

them said: "The truth is, modern business is a fight, and is likely to remain so. At bottom it is a question of strength and courage, with as much tact as we can get into it." It has, alas! to be added to this, that the strain of the competitive struggle (now that it has taken on an international character) is so inexorable that they have neither time nor strength for projects that are not quite business, and the results of which are at best uncertain.

The conduct of the employers in the recent coal strike has gone far to convert thousands of hard-headed men to the necessity of some form of compulsory arbitration to supplement what voluntary arbitration can effect. At the point where the helplessness of the voluntary principle grows clear, the public, if once roused, turns to the state.

Yet, one by one, other communities are yielding to New Zealand's example. Victoria adopts it after most critical examination. Sir Edmund Barton, recently in this country, says, "I think that we in Australia are very much in advance of your country in the matter of dealing with industrial conditions. By the terms of our arbitration law great strikes are made practically impossible. Arbitration is compulsory . . . and since the enactment of this compulsory arbitration law, strikes in New South Wales are unknown."

Even if we are driven to this, the same perplexity rises as in the case of trade-union incorporation; the suspicion of the trade union already shows itself in opposition.

The trade union in New Zealand is not afraid of the government or of the courts. Our own trade

unions are suspicious of the courts, and will not trust their verdicts in arbitration cases.¹

If, then, it is "a fight and is likely to remain so"; if the great forces of capitalism are to be so used as to defeat the complete organization of labor along lines that capital is taking for its own protection; if the devices of applied profit sharing, stock distribution, and arbitration are to be narrowed to the exceptional and less important instances, must we in the last resort trust to the educated magnanimity of the rich?

The Le Play societies in France, as well as the brilliant group of English positivists, have urged this remedy for a generation, "the moralization of the employer." The masses, they tell us, are too difficult to manage, therefore concentrate upon the employer. Teach him that he is a trustee of public as well as of private interests. There is great nobility in this teaching, and signs are everywhere that individual magnates are responding to this public expectation. Hospitals, colleges, libraries, largesses of all sorts, add rare distinction to our age.

Two observations must however be made. (1) If one go to that list, which all have seen, of four thousand multi-millionnaires whose combined possessions are believed to be beyond sixteen thousand millions, it will be found that a startlingly small minority has apparently ever heard of this fair gospel of public trusteeship. In many other cases of princely grants to public objects, it is certain that, at most, but a part

¹ In a copy of the *National Labor Tribune* I find these words, "Compulsory arbitration is a dream of fools when it is not a pawn of knaves."

of the yearly income has been parted with. (2) The other observation, weightier still, is that no possible munificence in public donations affects or has any relation to the sources of trouble in which the social question has its origin. We suffer for want of a wise and patient organization between employer and employed by means of which labor shall have the same rights as capital. The managers tell us that free competition is their ruin. They must have federated organizations to protect them from capricious and unmanageable cutting of prices. Economist and business man alike admit upon the whole the justice of the claim. But if the facts of the labor market are really faced, the immensity of our immigration choking the avenues of unskilled labor, who can deny that competition among laborers may be turned against them with the same killing effect as that under which capital suffers? Labor's need of some conscious control of competition is in every point as true and as easily justified as that of capital. For this the trade union stands. The man who defeats this right with one hand, while he builds with the other a public institution, does not render the service for which our need is most urgent. We are glad of his charity and good will; we should rejoice far more, if he were to recognize among his helpers every right of combination which he himself claims, and give of his superior strength to make the complete organization effective.

It is the writer's belief that, for reasons already given, efficient and regulative legislation will be too long defeated by competing local interests and by consequent political timidities. If, then, we are to

expect so little from the other remedies noted; if these failures are likely to be the occasion, and even the instigator, of an unceasing social unrest, to what hopes can we look? It is here assumed that the unrest will become more consciously and more definitely socialistic. Socialism will become an influence among us that will compel much more than dilettante curiosity and academic discussion. Whether its increase is to bring us blessings or curses turns largely upon the spirit in which it is met. No strong people will yield to it without a long and desperate struggle. But with what weapons shall the conflict be waged? It is the writer's chief hope in these studies to show that every claim of socialism may be challenged and opposed in ways that are not only free from danger, but are in their very nature educational and fortifying at the very points where our citizenship is weakest. For the first time in history it is possible to subject socialistic experiments to the tests of experience. Toward the close of the nineteenth century something like a final judgment had been passed upon the socialism of the Utopias. None more than the abler socialists now condemn the "dream excursion" of the separate colony.

During the last twenty years, experience has been accumulating which enables one to reach another and still more important judgment about collectivist ideals. At least seven countries have now entered upon a conflict with those whose propaganda is to substitute the collective ownership of the means of production for private ownership. In every instance where socialists have been given or have won for themselves specific and continuous responsibilities,

some remarkable results are now clearly observable. It is with these, and with conclusions based upon them, that the final chapters on Socialism deal.

But every radical change that socialistic reorganization implies, cannot be understood apart from its relation to certain questions of fact and of speculation. These will therefore first claim our attention.

CHAPTER II

POLITICS AND BUSINESS

THERE are roughly three points of view in the social question: that of the employer, that of the laborer, and that of the public which includes them both. "Social politics" takes for granted that the social welfare is above either of these partial interests. It is politics of the common good rather than that of any class or party. Into it has entered all those regulative measures which extend and adapt what was first called factory legislation.

In no country of the first rank is this legislation so weak as in the United States. Nowhere is there such fatal lack of unity, and nowhere is it so easy to discredit sound legislative proposals by the fear that local business will suffer. This half paralysis of legislation that is really social; that guards labor as carefully as it guards capital, is the more unhappy in its results because large commercial interests never used the government for its private ends with more unconcealed audacity than among ourselves. Here, too, the laborer is learning the uses to which government and politics may be put. Looking to the city and government for help has been taught to the common people by the most successful business men in this country.

Our magnates of industry have not preached pater-

nalism, but, in season and out of season, they have practised it. They have practised it so long and so openly, and with such conspicuous profit to themselves, that it is grotesque drollery for them to cry out against paternal legislation. They have not merely looked to the government to assist their enterprises, they have taken possession of it. Hat in hand, they have begged with such importunity that the law-making power, federal, state, and municipal, seems to have been looked upon as a private preserve. Yet these who discovered paternalism and reduced it to a political art and method, never fail to raise the alarm when the humbler classes ask legislative aid of city or state. No lackey was ever more subservient to his master than Pennsylvania to its railroads, or than the state of California to the Southern Pacific. These corporations have owned the states, as the landlords in England owned the rotten boroughs before the reform. Does it lack any element of the comic to hear, a few years since, a president of that California corporation censure the "dangerous tendency of crying out to the government for aid"? What past master of the art of a triumphant paternalism in the West could for a moment match this gentleman? The East and Middle West are filled with his peers, who have given object lessons in paternalism to the masses, so continuous and so convincing that they would be dullards if they did not at last profit by their drill-masters' example.

A specific and whimsical illustration of this comes again from the hard-coal region in which Pennsylvania republicans have preached the doctrines of

protection. "Give us the fenced security of the tariff, shut off foreign competition with our own products, and then will it be well with our workmen, then shall they delight in steady work and high wages." With this fair promise on the lips, what do they forthwith proceed to do? With their own manufacturing products hedged about, with their own interests protected, they proceed, as if for the gayety of nations, to open every flood-gate for low-class foreign immigration to keep down the price of what the workmen have to sell, their daily labor. This product of life tissue shall forsooth have no protection. "We, the masters, will have it for our wares, but our laborers for their wares shall not have it."

In that unhappy anthracite country the employers will tell you openly and with unconscious bravado, that they must get in cheaper and cheaper labor to keep wages down, else they could make no money.

These realists of paternalism are among the leading causes of populist and socialist books. The Bel-lamys are at most a foot-note on their ampler page. If paternalism is growing, we at least know where thanks primarily are due.

The practical obverse of this paternalism is the socialistic sentiment among the working classes, which strengthens day by day for many reasons, but for no reason just now more than this: the refusal of so many quasi-public corporations to accept proper social control. They refuse in spite of the fact that they have received, direct from the hand of the public, the chief strategic advantages which secure their best business gains.

There are few sources of socialistic unrest so open

and prolific as the check which the commercially powerful put upon legislation that is disinterested, that is social in its, proper sense. Interests that will prevent an income tax and use a high tariff to augment the privileges, not of struggling industries, but of the most masterful business corporations in the world, breed discontent, and then turn it straight toward the most risky and premature forms of socialism.

A single illustration may show what is meant by the sure coming of these questions into the field of politics, under the pressure of social unrest. We are grossly behind most civilized people in our entire treatment of industrial accidents. It is immediately possible to remove the most flagrant of these injustices by extending legal regulation based on the most definite practical experience of at least four other countries. These humane provisions are now defeated among us by narrow business interests. The federal government is powerless, and the separate states unwilling to give an advantage to a competing state. When the miners of Pennsylvania try to get the most elementary Employers' Liability Act, they are told before a legislative committee that it will harm local industry. The recent attempts to improve the law in New York were met by the objection that it would drive business into New Jersey.

The penalty that we shall pay for these defeats and delays is almost certain to be an unseasonable demand in this country for types of socialistic legislation for which we are not equipped. Our obdurate refusal to organize proper compensation acts for the victims of industrial injuries will soon raise the serious cry in

our midst for state pensions. It is safe to predict that the next considerable business depression will raise the issue of "old age pensions." Two influences will hasten this issue: (1) the unjust and bungling character of our present laws for indemnifying accidents, and (2) the rapidity with which men still in middle life are set aside in favor of young men in many of the greatest industries. (In the chapter on Machinery the fact will be considered with proof and more detail.) The man of fifty, if displaced in time of prosperity, may find employment, but the moment the demand for labor is arrested, these evils will show themselves in every industrial city in the United States. No people ever mismanaged government pensions with that headlong and promiscuous wastefulness which has been the humiliation of our system since the Civil War. Our wealth has been such that the good-natured extravagance has not despoiled us; but to arrange old age pensions for workingmen, with a hundredth part of the recklessness that has marked our pensioning of soldiers, would bankrupt any workingmen's pension scheme ever devised.

We have not yet won the administrative habits that make this vast and delicate responsibility safe. Yet the premature proposal will be thrust upon us all the more impetuously, because we refuse to take the first clear steps to do justly through more adequate compensation acts. The best lesson England has to teach us in the social question is the steadying and wholesome reaction of her progressive factory legislation upon her spirit of industrial unrest. This whole body of regulative measures has saved her from a revolution; it has saved her from any violent form of socialism;

tempering this sect so that socialist demands in that country are merely the frontier requisitions of her advanced politics.¹

A coal operator, at first friendly to the good work of the Civic Federation, turned later into the most sarcastic critic, because "the meddling of that body of theorists brought politics into our business." "No array of bigwigs," he said, "shall help us run our business by the help of politics." He insisted that the trade unions could have been beaten easily enough but for the impertinence of this political meddling.

It is true that the political situation of the moment was used to win that miners' strike of 1900. It is as true that business administration would be appallingly embarrassed if, in every row between capital and labor, hopeful appeal could be made to the politician. Yet this formidable perplexity has at last been reached in the United States. Politics, in its proper and larger definition, will more and more interfere with certain forms of business. When the public is disturbed *enough* by strike disorders, it will interfere politically. The

¹ For an illustration let the reader turn to Engels's powerful description, "The Condition of the Working Class in England in 1844." If we except the lurid passages in Carlyle's "Past and Present" and "Later-Day Pamphlets," and many of the notes in Marx's "Capital," there is no such terrible arraignment of conditions among the laboring classes as this book contains. It is a mass of documentary testimony of the extensive and intensive misery of the laboring classes generally; but a misery which has been immeasurably lessened. Charles Kingsley's stormy resentment against society had its kindling from just such sources as these. Not twenty years after he had written "his problem story," "Yeast," the improvement among the workmen had been so great that in the fourth edition of this volume the author states frankly how hopeful a change has taken place.

kind of organization which capital on the one side and labor on the other has now taken on, renders this inevitable. Capital is now centralized in producing and distributing certain products that are in the widest and most common use, like iron, steel, sugar, meat, and coal. The very definiteness and magnitude of the organization make it an easy mark for approval or disapproval. If the consumer thinks himself aggrieved, he sees clearly the source of his irritation. There may be wholly legitimate economic causes for the present rise of beef, but no authoritative and disinterested statement of this has been made to the public, and thus the cry rises in every part of the country that the "government look into the beef trust," that we have in a word political interference.

To this same end works the increasing organization of labor. The very mass and extent of this organization makes the ignoring of it by the politician impossible, if it actively court such recognition. It is not necessary that labor should try to form an independent party. Its power may prove more effective if its growing political strength is used to extort from either Democrats or Republicans every advantage it can gain. Within fifteen years, in countries like Switzerland, Belgium, and France, labor organization has compelled a kind of systematic mixing of governments in industrial affairs. It is but a few years since a French premier contemptuously refused to entertain the proposition of government interference with a strike. He was forced to yield, and from that day to this politics has played an increasing part in those special labor contests that bring out the antagonisms

between political individualism and the ideals of modern collectivism.¹

As late as 1882, when they were discussing in France whether the liberty of association should be granted to trade unions, Léon Say thought the social question a fad upon which serious statesmen should waste no time. The last prime minister, Waldeck-Rousseau, set high value upon Monsieur Say's opinion, following it sedulously, until the socialist vote drove him to a policy which he pronounced infamous as late as 1894. In Roanne, in 1895, he told his hearers of the social destruction threatened by collectivism, "les ruines qu'il peut faire,"² and finally before the republican club, after the fall of the Méline ministry, Waldeck-Rousseau warned the party forces against the first step of compromise with socialists.

Is not this the mission of le Grand Cercle republicain, it was asked, to prevent every affiliation with collectivist despoilers, and to hold fast republican principles in their integrity? It has never ceased to excite merriment among his enemies that, once in power, this strong leader should so soon eat his own words, hasten to the socialists for help, and appoint one of their best-known leaders, Monsieur Millerand, as his minister of commerce. No one believes that the private opinions of Waldeck-Rousseau upon the merits of the collectivist programme had been transformed. His change of front was forced by the unexpected rise of a new party in French politics. The socialist trade union had a membership, in 1890, of

¹ President Loubet was recently as busily engaged in trying to settle a strike as President Roosevelt.

² Discours le 15 novembre.

less than 140,000, in 1899 they numbered nearly 500,000. In 1884 there were not 100 of these associations in all France, in 1890 there were 1006, in 1899, 2685.¹ Forty of these unions have their own periodicals, and nearly 600 have established libraries. Although these unions represent but half the socialist strength of the country, their clubs are so organized in hundreds of French cities that they exercise an influence which no party manager can now ignore.

The president of the Chamber of Deputies, Monsieur Deschanel, is reported to have said, "I owe my position chiefly to the fact that I had given a dozen years' hard study to industrial and economic problems, under the firm conviction that the social question is the ruling issue of our time."

After two speeches² delivered in 1894, it appears to have been admitted in the Deputies that he was easily the most competent member to cope with the new party. He openly admits that socialism represents a powerful, serious, and growing influence, which politics must more and more take into account. Monsieur Deschanel is, perhaps, more critical of political *laissez-faire* than he is of collectivism. State intervention in behalf of the laborer (not merely of the woman and child, but of the man) he accepts as a principle that is to have a far wider application. He believes that such interference may become national on a far larger scale. He holds that *la grande industrie* has created a new form of pauperism: — "a engendré par les chômages une forme nouvelle de pau-

¹ *L'Annuaire des Syndicats Professionnels pour 1900.*

² "Replique à Messieurs Millerand et Jaurès" and "Le Système Collectiviste."

périsme." He recognizes, what his older colleagues would not see, that the trade union has become a permanent part of our industrial life, and should be welcomed. He calls it the "cellule de l'organisation nouvelle du travail." He admits every abuse that is laid at its doors, but insists that with a bold and generous treatment the trade union will become a powerful and conservative influence:—"deviendra, entre des mains plus exercées, un puissant levier de progrès et de justice sociale."¹

That socialism—as curse or blessing—might prove to be the great fact of the twentieth century, has long been felt by men of philosophic penetration who wrote in the spirit of critical observers. I select those only who looked at this oncoming event with pronounced aversion, as their testimony will carry more weight. Two French writers of such eminence as Edmond Scherer and De Vogüé are both haunted by the assurance that socialism is creeping upon us like a great shadow. Nearly twenty years ago Senator Scherer expressed deep repugnance to socialism, but wrote, "all signs point to the steady spread of socialism within a future that we may all live to see."²

In his acute though sombre study of race struggles Professor Pearson, out of a singularly large experience in England and Australia, expresses a like opinion. This same view appears in the more pre-

¹ "La Question Sociale et Le Socialisme;" Discours prononcé à Carmaux le 27 décembre, 1896.

² "La République démocratique, je ne puis m'empêcher de le croire tend au nivellement des fortunes, elle est condamnée à faire l'épreuve du communisme, et la seule chose que nous ayons à nous demander c'est ce qu'il faut attendre de cette tentative."—Edmond Scherer, "La Démocratie et La France," 1883, p. 63.

tentious and widely read book of Benjamin Kidd,¹ and now Edward Dicey of Oxford, in a dirge at the grave of his own liberal party, sees the gloomy apparition of socialism rising on the horizon.

It is the politics of this party, which Professor Dicey pronounces dead in England, that has been a scornful opponent of socialism. More than any other, it came to be the party of modern capitalism. Yet while the strength of capitalism is unabated, this party in country after country has suffered crushing defeats. In the two countries where socialism has won the most signal victories, Belgium and Germany, this party of the "politics of the great industries" has almost ceased to exist. No modern event of greater consequence has happened in Europe than the swift decay of what is known as political liberalism. When Professor Dicey connects the fall of his party with the rise of socialism, he indicates the chief event with which twentieth-century politics will be concerned. This fact cannot be understood apart from its relation to the industrial forces of our time.

The great market, banking, industrial, and factory

¹ Mr. Kidd speaks of "the only social doctrines current in the advanced societies of to-day, which have the assent of reason, for the masses are the doctrines of socialism." In his latest book, "Western Civilization," Mr. Kidd brings the ideals of politics and economics into one category: "As in politics the movement has been toward equal political rights, so in economics it is now a movement toward equality of economic opportunity." He quotes Professor Sidgwick's ethical postulate, "that the distribution of wealth in a well-ordered state should aim at realizing political justice." This conscious identifying of political and industrial ideals is a dangerous ferment for certain vested interests. Let it become familiar to the common thought, and some of our sturdiest formulas on "liberty," "property," "rights," must be restated.

centres have created a politics which reflects what was believed to be their interest. Every successive industrial type has had its own political form. No one doubts that the politics peculiar to the Southern states before the Civil War was made chiefly by the kind of business carried on there by slaves.

There was in England a landlord politics that carried all before it until the midland manufacturing cities grew powerful enough to force the landlords to admit to Parliament those who represented the new interests of the mill and factory towns. If a few of the largest businesses of Pennsylvania — transportation, iron, and mining — were grouped together, and then their history faithfully told, we should know the origin and character of a large part of Pennsylvania politics. The history of the Boston and Maine Railroad in New Hampshire would be at the same time the mere record of much contemporary politics in that state. Very nearly all that this railroad wanted has been recorded politically as the will of the people. Very little of what the people wanted has been so recorded, if the demands were thought to run counter to the interests of this corporation. The great business thus not only sets its stamp on politics, it is to a large extent its creator and controller.

To admit that political liberalism — the distinctive party of capitalism — has been routed in the most highly developed countries of Europe, is to admit that capitalism itself, as hitherto managed, is under criticism. This appears with still more significance as we note the tendency of commercial interests to unite those who have been heretofore in opposing political parties. In Belgium, where the social question has

become intense, thousands of business men, who were formerly liberals, now vote with the conservatives because business has been frightened by the rise of socialism. Even in our country the half-conscious socialism known as populism has so far developed as to drive the conservative and well-to-do democrats of the Cleveland, Whitney, and Olney type so close to the republican party, that much ingenuity is required to prove any important and lasting difference between the two traditional foes.

At the South, the banker, the manufacturer, the railroad man, now tell you with no hesitation that his democratic sympathies are gone, that his real interests are with the republicans. In Norfolk, Virginia, I was told by a man with generations of democratic traditions in his blood, "Practically every successful business man of my acquaintance would leave the democratic party if it were not for the abnormal situation which the negro question imposes upon us. The socialistic nonsense in the democratic party has shown thousands of men in the South that they do not belong among the democrats." Every mill and factory, every railroad and other large corporation, established at the South, will increase this political sympathy with "the party of great interests."

The analogy between our republican party and the dying liberalism of Europe is extremely imperfect unless the splendid origin of both parties is forgotten. There is far more truth than error in the analogy, if we have in view merely what these parties finally came to be. The Belgian liberals, for instance, represented large capitalistic industries. They wanted to be left alone. They were solemn in their protests

against "interference," whether of state or the trade unions.

Only the ruins of this party are now left. Socialist aggression has driven the vested property interests into one common political alliance for self-defence. We are now entering into this same experience.

To the extent that the republican party is notoriously affiliated with leading business enterprises, — banking, transportation, and the great production, — to the extent that these enterprises are uniting men of both party traditions against a vague and fumbling socialism, the comparison holds good.

Discontent with the actual industrial order is now organized politically as it is in Europe, and every force active among us will add to its strength. Its beginnings are thus far very humble. Periods of unusual prosperity will hold it in check, but at each collapse of the business boom this new idea will but fasten the more strongly upon the imagination and the purposes of multitudes of the American people.

Mr. Gladstone is quoted as saying that the chief event of his time was the increasing identification of politics with social questions. Eight years ago Lord Rosebery said, "I am certain that there is a party in this country, unnamed as yet, that is disconnected with any existing political organizations—a party that is inclined to say 'a plague on both your houses, a plague on all your politics, a plague on all your unending discussions that yield so little fruit.'" (St. James's Hall, March 21, 1894.)¹

¹ "Now, I dare say the time may come—it may come sooner than some think—when the liberal party will be transformed or superseded by some new party." — John Morley, Newcastle, May 21, 1894.

The party is not yet formed, but if we may believe so acute and competent a scholar of world politics as Mr. Dicey, "liberalism" is a thing of the past and socialism a fatality of the future.

What is likely to strengthen this collectivist sympathy is the advent of the "trust." The process of consolidating large, separate concerns is easy to justify in theory and by analogies from economic development. It seems more than probable that these giant enterprises will eventually adjust themselves to the needs of a world-commerce. But meantime two eventful results cannot be averted. The trust is destined (1) to arouse and intensify socialistic sentiment among classes to which socialism has hitherto been an object of ridicule. Nothing can now prevent the development of a new habit of appealing to the state and government to extend its authority over these colossal undertakings.

The trust will (2) accustom the people to bring politics into the industrial field. The huge overcapitalization, the taking and giving of social privileges, the method of organization so exclusively from the stock exchange point of view, with its excesses of speculation, are all calculated to play, with disquieting effect, on the popular imagination. The incidental evils bound to follow these hurried aggregations of capital cannot quickly enough be brought under control. Long intervening years must pass before the trust can prove safe for the humbler class of investors. Popular approval will never be secured until these open and obvious advantages are assured. Capitalistic abuses have had one sure defence in the past

behind which the trust cannot hide itself. The public eye is fastened upon it by its very bigness.

It has never yet been possible to concentrate the critical discontent definitely enough upon commercial abuses. There has been no end of railing against the corporations, but the people have taken these charges very closely at their proper value. As long as the vilification of corporations is indiscriminate, the common sense of the people will discount it for the plain reason that thousands of corporations (like our New England mills and factories) are fairly law-abiding and bring benefits to millions of our inhabitants. They are known to be as free from evil practices as any phase of our institutional life. To lump these business organizations into one common object for cursing is not merely unwise, it is dangerous in that it muddles every issue upon which reform of real evils must depend. As long as obloquy is put upon corporations in general, the lawless ones are safe. Their percentage of the contumely is lightly borne.

With the advent of the "trust" a new stage in popular judgments has been reached. The old hesitation about fixing responsibilities for evils, real and supposed, will continue until business ills again beset us. In that stress, scores of the weaker combinations will collapse and even the strongest be hard driven to meet the responsibilities incurred by their monstrous capitalization. These days will be the days of reckoning for the capitalistic holders. There will be much unfairness in this popular judgment. The trust has come, upon the whole, as inevitably as the partnership came in its time, or as the corporation began to appear at the end of the eighteenth century.

Yet all that can be said for the "naturalness" of this trust evolution will not shield it from one outbreak of hostile censure. Thus far there has been a holding of the breath at the rapidity and magnitude of trust formation. The stupendous scale of it has impressed the imagination as no other event in our industrial history: methods, salaries, managers, promoters, all are thrust into such fierce light and prominence that popular attention will become very embarrassing in that less prosperous period when all the capitalized expectations have to be fulfilled. This element of conspicuousness ought, in theory, to sober those who conduct these enterprises. The very rights under which they do business are granted to them by the state. In season and out of season, they have told the public that the gathering of various firms and corporations into one unified association enabled them to make extraordinary economies by which the consumer must profit. Can we think that intelligent men will create these expectations and then anger the people by higher prices? If they prove unable to make economies that the public can share, their combination will be pronounced a failure; if they can make economies but refuse to share them in cheapened products, the public will be more critical still.

The most popular error, however, is to judge the trust on its business side alone. It has to undergo another ordeal before public opinion. The trust comes into the industrial struggle with privileges and powers greater than ever have been exercised in the world's commerce. To use these powers with such prudence and fairness as not to outrage the sentiment

of the community, will prove the severest test to which these combinations must submit. It is too soon to say what their influence is to be upon a great multitude of small independent business concerns. Is life to be made harder for these, or are they also to have some part in "the higher stage of evolution" which the trust is said to represent? That the trust will throw out of work armies of men, as we are often told, is probably untrue, but will it slowly put an army of the more modest independent men into dependent clerical positions? It may be said that this is unavoidable, that it is progress and in the long run socially best; but that it would create a new class of malcontents in American life is very certain.

The most concrete impulse that now favors socialism in this country is the inane purpose to deprive labor organizations of the full and complete rights that go with federated unionism. Capitalism claims and gets what it refuses to labor. One of the grantees in the business world, who has publicly insisted upon "the rights of labor to organize," was asked in my hearing if he were favorable to trade unionism. "Yes," he said, "I have always been its friend, but of course the union must be taught its proper place. It has nothing to do with the employer's business. If it dictates, it is out of its sphere. It ought to confine itself to mutual helpfulness, burial funds, and the like." Of this kind of good will to organized labor employers have abundance, yet it may conceal an absolute and settled aversion to every real object for which the trade union stands. This gentleman had an honest loathing for the actual trade union when it gained strength enough to offer

him the alternative of arbitration or of a strike. He had an imagined affection for a ladylike association which "knew its place," that is, which never questioned his own absolute dictatorship. He was fond of saying: "There is no place for arbitration in my works, because I pay all that the business will afford. If they ask me to arbitrate, it is like taking me by the throat. With a highwayman there can be no arbitration."

This is upon the whole the attitude of the business managers in four-fifths of our unionized industries. From the point of view of capitalist supremacy this attitude has one threatening feature.

This enmity of capital to the trade union is watched with glee by every intelligent socialist in our midst. Every union that is beaten or discouraged in its struggle is ripening fruit for socialism. We have pleased ourselves by repeating, parrotlike, "such socialism as we have in the United States is wholly of foreign origin." A few years ago this explanation accounted fairly well for the facts. No close observer can any longer consider it an explanation. The conditions out of which socialism grows are working with increasing power in our midst, and they do not conveniently select those only who speak broken English, or were bred among "the tyrannies of the old world." Let unionism receive from capital a severe and damaging blow, and socialism will bear henceforth, not a foreign but a distinctively American stamp.

This process has already begun. Strong trade-union cities, like Brockton and Haverhill in Massachusetts, to the general bewilderment, elect workingmen socialist mayors. Their hold is thus far slight. These

socialists were dropped after two years in office, but in both cities the sentiment which elected them is far stronger and more confident than in 1898-1899. In other manufacturing towns like Rockland, it becomes each year more aggressive. In 1902, it sends a third representative to the State House, while manufacturing cities in Plymouth County give an enormous vote for a socialist state senator.¹ Among the causes which have brought these changes is the purpose of employers to cripple the trade unions. It may be by forcing piece-work so that wages are kept low; or by introducing a new machine like the "laster" without consulting or propitiating the union whose wage scale is revolutionized by the new process. That which teaches a union that it cannot succeed as a union turns it toward socialism. In long strikes in towns like Marlboro and Brookfield strong unions are defeated. Hundreds of men leave these towns for shoe-centres like Brockton, where they are now voting the socialist ticket. The socialist mayor of this city tells me, "The men who come to us now from towns where they have been thoroughly whipped in a strike are among our most active working socialists." The bitterness engendered by this sense of defeat turned to politics, as it will throughout the whole country, if organization of labor is deprived of its rights.

When the socialist Chase was made mayor of Haverhill, the ablest local "capitalistic" paper made this comment:—

¹ As this goes to press, December 4th, the returns from Brockton show that with the reelection of the socialist mayor by a strong majority, eight city councillors, three aldermen, and two members of the school board, all socialists, are also elected.

"Now that the municipal election of 1898 has passed into history, those who profess horror of socialistic teachings may with advantage to themselves and benefit to the community study the election returns with anxious solicitude. They will find therein food for thought. The vote of yesterday means far more than the bare figures indicate. It comes as a solemn warning that the people are dissatisfied with conditions which make for their political degradation; that they have grown impatient of low wages and lack of employment, and may be counted upon in the future to act independently of all political parties unless there be a change both of methods and of men in the legislative chambers of nation, state, and city. Is it any wonder these people have lost confidence in the honesty of those chosen to direct their affairs when they see piling up on every side immense aggregations of wealth which is used to control the necessities of life, while their daily wage grows smaller?"

These are puny beginnings. Our social democracy is still too much at sea to put before the people a clear and coherent statement of principles. These are, however, slowly taking shape, while the platform of our conventional politicians, like that of European liberalism, drifts year by year into phrasemaking that shows upon its face the fatal lack of great and positive purpose. The conventional politics has reached that first stage of decay — the apologetic and defensive attitude. The new politics of the social democracy has, at least, the spirit of positive and creative action.

As the attenuated difference between republican and "Cleveland democrat" disappears, conservative

and large property interests, careless of party traditions, will band together against this common foe. Our first need is to know how to meet the new occasions which this appeal to the state brings with it.

An attempt is made in the following chapters to throw light on the most important phases of the struggle upon which we are entering. I believe that recent developments of socialism and trade unionism in this country furnish all the guidance we require both as to temper and method of coping with them. Before passing to this more definite investigation of the socialist programme, certain preliminary inquiries must be made as to the nature of the "social question," and the real purpose of those who attack the present industrial order. Our first inquiry should be directed to the primary fact of discontent. No age ever had a social question apart from some deep undercurrent of exasperated sentiment against the prevailing social order. There is in our age no more "social question" than there is discontent with the kind of society in which we live. The extent and nature of this unrest is therefore our immediate concern.

CHAPTER III

THE SOCIAL UNREST

I

WHAT we call rather loosely the social question has its invariable origin in some form or degree of popular discontent. It is the purpose of this chapter to analyze the nature of our own social unrest; to mark some of its more undeniable tendencies; to ask if it is growing, or, if not growing, is it taking on any threatening peculiarity to justify alarm? Can it be maintained that ours is an unrest different in any essential from the ferment which for centuries has stirred the heart and the imagination of humanity? In the current literature on social and industrial questions nothing, even by economists of repute, is more commonly asserted.

The interpretation of the unrest (does it bode good or ill?) varies with the mood of the writer. To one it augurs the approach of swift-footed evils; to another each industrial struggle foretells the birth of a more robust society. Whatever the interpretation, it is in the interest of clearness to get first some light upon the inquiry: Is the unrest now deeper than that which has marked the aspiration of most Western races? There is much to make us believe that primitive peoples everywhere are fairly content. However

hard and pinched their condition, it does not become a source of chronic agitation for social progress. Neither do we associate discontent with oriental life and tradition. Religion and custom unite to soothe these dreaming millions into acquiescence. One country offers just now an exception. In Japan the spell is broken. For her making or unmaking, the current we call civilization has borne her from her moorings. Her religion is now to imitate the West. She is impatient for railroads, for the stock exchange, for mills, for electric plants, for markets, and alas! for naval and military furnishings to further and protect the new ventures. All this gets our praise. We say: "Japan is at last waking from a sleep. It is 'enterprise,' the beginning of great things." At the very start observers are telling us the price these people are to pay for their huckstering in the world market. The very daintiest of her gifts are being despoiled: the capacity to work and live with a quiet spirit; a grace and gentleness of manner that make our civilized behavior rude and awkward in comparison; and most grievous of all, the quick decay of her exquisite art. The undisturbed leisure for loving and perfect workmanship is already so blighted that the very hope of preserving it is in peril. Some far-off compensation for these losses will doubtless come, meantime the message from Japan is that she presents an easy object lesson of a people passing rapidly from the relative content of the East to the hustling self-assertion of the West. We shall henceforth inevitably associate Japan with the discontent of progress.

All progress thus carries with it its own disquietude. Where the highest pace is set, there discontent with actual achievement appears to be keenest. No age, for instance, has ever poured out such wealth of energy upon education as our own; none has ever tried so hard, or paid so lavishly, to carry to the whole people every form of intellectual opportunity, yet never in history was critical discontent with education so captious and all-pervasive as at present. A well-known English educator reading a mass of recent books and articles by the more prominent of our teachers, and attending several important educational meetings, has just said, "One would think by the vehemence of the criticism that education in the United States was in the last stages of deterioration."

Even if unrest has grown, it need not of course imply discouragement. A period or a people wholly free from the hungers which break into expressions of discontent would be characterized as lacking the first elements of vigorous and hardy life. Dates like that of the English reform movement of 1832 recall times of unusual agitation, nevertheless no one would deny to these brave days the inspiration of immense social development. The more general outbreak of 1848 brought with it deeper turmoil still, yet many of the most hopeful changes which we associate with race improvement date from this revolutionary epoch. Modern history is crowded with upheavals; the Peasants' Revolt of the fourteenth century; the economic disturbances in England in the sixteenth century; and again, what is known as the Industrial Revolution, that began in the latter part of the eighteenth century and extended far into the nineteenth. Our

own present uneasiness, thrown upon this intenser background, appears tame and colorless. Compared with the Reformation, our spirit of protest is fitful and uncertain, while if comparison is made between our own generation and the generation that closed the eighteenth century in Europe, with its volcanic shocks of revolution, we are stolid and well-behaved. In current discussion upon religious, educational, and political topics, no phrase is more certain to be used than this, "Yes, but we are living in an age of transition," implying that the peculiar instability of things at the present moment is exceptional. So far as the phrase has any significance, it can mean only that certain events, upon which the eye is fixed, are moving with quickened step. Yet who could select a decade since the landing at Jamestown that was not a "time of transition"?

The claim is still insistent that our agitations are exceptional and full of perils. It is therefore wiser to challenge the facts; to see if possible what truth the claim contains. Far-off periods will be avoided. They offer too many pitfalls for misleading analogies. There is even danger in appeals to other countries, because too many differences of race and circumstance are introduced.

We turn therefore to our own home records, selecting for comparison events and years enough to make a basis for calculation. Discontent continuous in intensity is found at no time and among no people. From the earliest of our permanent settlements its fevers are chronic, alternating with periods of conscious rest and well-being. Before the middle of the

seventeenth century social life in America was too new and too unstable to offer safe illustrations. A better beginning may be made with the Virginia colony after its destiny is so far fixed that there is no thought of abandoning this country. To the extent that it can be done with fairness, those special causes of unrest that have much in common with our own troubles will be chosen.

What signs are at hand to-day of more extreme uneasiness than those observable in the South during a large part of Berkeley's reign, from 1661, including the outbreak known as Bacon's Rebellion? The cause of the poor against the rich had great part in that picturesque hero's plucky fight. Theft and extortion by those in power were notorious. Those in high places became rapidly rich, and the people were cruelly overtaxed. There had been a period of business depression more distressing than any known in our time. There was political and business corruption that no Tammany brave would now dream of venturing. Heady attacks on property were the order of the day, and one charge against Bacon's followers was that they were a "lawless rabble poisoned by communistic notions."¹

The years preceding the Rebellion were such as are commonly called "hard times." People felt poor and saw fortunes made by corrupt officials; the fault was with the Navigation Act and with the debauched civil service of Charles II. and Berkeley. Besides these troubles which were common to all, the poorer people felt oppressed by taxation in regard to which they seemed to get no service in return.

¹ "Old Virginia and her Neighbors," p. 104.

The worst of present-day monopolies are mild when compared to those through which the English merchants robbed the Virginians. To the economic troubles must be added religious and educational complaints. To their demands for schools and greater freedom in the pulpit, Berkeley replied: "The ministers should pray oftener and preach less. But, I thank God, there are no free schools nor printing; and I hope we shall not have these hundred years; for learning has brought disobedience and heresy and sects into the world, and printing has divulged them, and libels against the best government. God keep us from both." Berkeley's own private monopoly with the Indians was one of the causes that led to the "rebellion." The monopoly of his successor, Culpeper, bore still more heavily on the people. The falsifying of elections by the sheriffs against a free white people was as flagrant as that of our own day in Southern states against the negroes.

If we turn to the North, in 1686, when Sir Edmund Andros came as governor to New England, the atmosphere is charged with the same distempers. The rights of property were so invaded, according to Increase Mather, that no man could call anything his own. Danforth wrote, "Our condition is little inferior to absolute slavery." When the people pleaded for habeas corpus and the simple rights of Magna Charta, Andros asked with a gibe, "Do you believe Joe and Tom may tell the king what money he may have?" His secretary complains that little money is to be got out of the country, because it has been squeezed dry by those who preceded Sir Edmund. With Dudley censor of the press, the general court

abolished, the assembling of a town meeting made an act of sedition, it is certain that to those then living, the times seemed big with dangers.

The generation following this period brings us well into the eighteenth century. A time of prosperity culminates about 1740. Bancroft speaks of it as "marked by the unrivalled prosperity of the colonies." It would be unfair to select illustrations of special unrest during the disturbance of the colonies by the French and English wars that immediately follow. Before these confusions had passed, the turmoil of the struggle for independence had already begun. The war spaces are too exceptional to offer fair instances of comparative unrest. The Revolution of 1776 will therefore be omitted.

Of the ten years that precede the Revolution and the ten that follow the peace of 1783 one may speak with confidence. It is doubtful if in recent times we have felt any such measure of anxiety.

McMaster writes: "The year 1786 in all the states was one of unusual distress. The crops had indeed been good. In many places the yield had been great. Yet the farmers murmured, and not without cause, that their wheat and their corn were of no more use to them than so many bushels of stones, that produce rotted on their hands. That while their barns were overflowing, their pockets were empty. That when they wanted clothes for their families, they were compelled to run from village to village to find a cobbler who would take wheat for shoes, and a trader who would give everlasting in exchange for pumpkins. Money became scarcer and scarcer every week. In the great towns the lack of it was severely felt. But

in the country places it was with difficulty that a few pistareens and coppers could be scraped together toward paying the state's quota of the interest on the national debt.

"A few summed up their troubles in a general way, and declared the times were hard. Others protested that the times were well enough, but the people were grown extravagant and luxurious. For this, it was said, the merchants were to blame. There were too many merchants. There were too many attorneys. Money was scarce. Money was plenty. Trade was languishing. Agriculture was fallen into decay. Manufactures should be encouraged. Paper should be put out.

"One shrewd observer complained that his countrymen had fallen away sadly from those simple tastes which were the life-blood of republics. It was distressing to see a thrifty farmer shaking his head and muttering that taxes were ruining him at the very moment his three daughters, who would have been much better employed at the spinning-wheel, were being taught to caper by a French dancing master. It was pitiable to see a great lazy, lounging, lubberly fellow sitting days and nights in a tippling house, working perhaps two days in a week, receiving double the wages he really earned, spending the rest of his time in riot and debauch, and, when the tax-collector came round, complaining of the hardness of the times and the want of a circulating medium. Go into any coffee-house of an evening, and you were sure to overhear some fellow exclaiming, "Such times! no money to be had! taxes high! no business doing! we shall all be broken men."¹

¹ "History of the United States," Vol. II., p. 180.

Another form of discontent, that which appears in times of recognized prosperity, asserts itself early in Jefferson's administration at the opening of the century, with an enduring venom and vindictiveness that is difficult in these days to understand. In the last letter that Hamilton ever wrote, are words that tell what it was that filled the respectability of the time with a kind of panic — "our real disease, which is democracy."

The analogy of this period with our own has many startling points of likeness if the analogy is not overpressed. Professor Henry Adams says that men with cool heads like Rufus King and Hamilton, men like Judge Tracy, Cabot, Pickering, Ames, and Griswold, were tormented with a sense of coming crisis which "overhung these wise and virtuous men like the gloom of death." "Scores of clergymen in the pulpit, numberless politicians in Congress, had made no other use of their leisure than to point out, step by step, every succeeding stage of the coming decline. The catastrophe was no longer far away, it was actually about them, they touched and felt it at every moment of their lives. Society held together merely because it knew not what else to do."¹

At present the fear has frequent expression that a victory of the democratic party would be followed by attacks upon the higher courts. A century ago this anxiety was far keener than it now is. The democratic attack upon the courts in Jefferson's day as "creatures of the aristocrats," as "corrupt" and "irresponsible to the people," surpasses in unqualified virulence anything that Mr. Debs has ever ut-

¹ "History of the United States," Vol. VII., p. 68.

tered. Judge Chase of the Supreme Bench looked upon these animosities against the judiciary as the most threatening event in our history. Property, he thought, would soon be without defence, and personal liberty pass away before the reign of the mob. In Baltimore, in 1803, he said:—

“The independence of the national judiciary is now shaken to its foundations. Our republican Constitution will sink into a mobocracy—the worst of all possible governments. . . . The modern doctrines of our late reformers, that all men, in a state of society, are entitled to enjoy equal liberty and equal rights, have brought this mischief upon us; and I fear it will rapidly progress until peace and order, freedom and property, shall be destroyed.”¹

In the eyes of Josiah Quincy, the strongest representative in Congress from Massachusetts, “Jefferson was a transparent fraud, his followers were dupes or ruffians, and the nation was hastening to a fatal crisis.”²

When he arrived in Washington, Mr. Quincy tells us that his abhorrence of Jefferson was such that he would not even accept the invitation that came to him to dine at the White House. “I regarded him as a snake in the grass, the more dangerous for the oily, wily language with which he lubricated his victims and applied his venom.”³

It is difficult to point out a single menace to our political or industrial life that has not been an object of dismay and pessimistic solicitude throughout our

¹ Adams, “History of the United States,” Vol. II., p. 149.

² Vol. IV., p. 422.

³ “Life of Josiah Quincy,” by Edmund Quincy, p. 88.

earlier history. It is, for instance, widely believed at present that the rage for speculation, stimulated by the growth of trusts, carries with it dangers that are new and peculiar in their gravity. There is much truth in this, but the dangers of speculation are not new. The volume of business has now reached such magnitude, it has become so concentrated, and its manipulations on the market are so advertised, that the game is visible to every eye. In the earlier times there was no such record, but speculation in its most questionable sense appears to have seized about every chance that offered in those days.

Large portions of charitable, religious, and educational funds were formerly raised by gambling in lotteries. Is it likely that an age which gave such sanction to this "race hunger" should be less apt than we of the present to display the gambling instinct in new business ventures? We know what a field for this gaming impulse our railroad building has offered; but it may be seen just as vividly a century ago in the making of common toll-roads. After the success of the "turnpike" between Lancaster and Philadelphia, there was an outbreak of reckless speculation in roads and canals precisely similar to the wild work in railroad enterprises after our war of 1861. The industrial betting field was much narrower and stakes were smaller, but the people were as eager for unearned gains then as now. The Revolution of 1776 was followed by all the gambling which new ventures at that time afforded. Lotteries to build roads and bridges were common. The general government was appealed to on every hand to help out these local schemes.

Chartered companies to deal in the stocks of turn-pike corporations were started early in the century by hundreds. Even Vermont had twenty-six and New Hampshire twenty in 1810. A year later New York had one hundred and eighty. The crying need of that time was cheaper transportation. To haul a single ton of freight from Pittsburg to Philadelphia cost \$125. What, at its best, was the spirit of enterprise, and at its worst the instinct of the gamester, went into these various schemes. There was as much gambling as there was opportunity to gamble, and ruin followed its reckless indulgence then, as it follows it now.

In 1896, when Mr. Bryan was presidential candidate, the majority of our "strong and safe men" were everywhere telling us what calamities would troop in upon us if he were elected. The hungry mob that would follow at his heels were sure to work ruin in every business interest in the country.

A century ago when Jefferson became president the entire conclave of scholars, as well as the whole business world of New England, was horrified at the prospect of political control by the common people. At a New York dinner, Hamilton's words were, "Your people, sir, your people is a great beast." The most brilliant spokesman of New England respectability, Fisher Ames, said in 1803 that the country had become "too big for union, too sordid for patriotism, too democratic for liberty." The gloom had deepened in 1808, when he could say:—

"Our days are made heavy with the pressure of anxiety, and our nights restless with visions of horror. We listen to the clank of chains, and overhear

the whispers of assassins. We mark the barbarous dissonance of mingled rage and triumph in the yell of an infuriated mob; we see the dismal glare of their burnings, and scent the loathsome steam of human victims offered in sacrifice." Few knew New England as President Dwight of Yale College knew it. Yet he could write, "We have a country governed by blockheads and knaves; . . . can the imagination paint anything more dreadful on this side hell?"¹ Every federal newspaper in 1803 had this passage, which Professor Adams says was "one example among a thousand—neither more extravagant nor more treasonable than the rest":—

"A democracy is scarcely tolerable at any period of national history. Its omens are always sinister, and its powers are unpropitious. It is on its trial here, and the issue will be civil war, desolation, and anarchy. No wise man but discerns its imperfections, no good man but shudders at its miseries, no honest man but proclaims its fraud, and no brave man but draws his sword against its force. The institution of a scheme of policy so radically contemptible and vicious is a memorable example of what the villany of some men can devise, the folly of others receive, and both establish in spite of reason, reflection, and sensation."²

Even the saintly Channing, already preaching the new hope for humanity, and breaking with religious tradition, as Jefferson had broken with political tradition, showed an alarm as if chaos were at hand. In the Fast Day sermon of 1810, he says: "We live

¹ Channing, "United States of America," p. 166.

² "History of the United States," Vol. I., p. 85.

in times which have no parallel in past ages; in times when the human character has almost assumed a new form; in times of peculiar calamity, of thick darkness, and almost of despair. . . . The danger is so vast, so awful, and so obvious, that the blindness, the indifference, which prevail, argue infatuation, and give room for apprehension that nothing can rouse us to those efforts by which alone the danger can be averted."

If the opinion of twenty of the wealthiest and best-known of the citizens of New England had been asked at any time during the two administrations of Jefferson, and probably of Madison as well, it is safe to say that eighteen of them would have thought the country going to the dogs.

We should not lend a serious ear to any contemporary who gave expression to such hysterical forebodings as these. Whatever the peril that lurks in the trust, in plutocracy, in imperialism, we refuse to go to the length of sheer consternation that these dignified ancestors honestly felt.

One real difference between the misgivings of that day and those of our own concerns religion. The fears to-day are business fears. In 1800 they were also religious. The only heresy that is now dreaded is economic. Religious heresy is no longer an offence. No one objects even to political heresy further than it implies an attack on some cherished form of property. In 1800, the anathema lay against the supposed infidel and the Jacobin democrat. To-day it lies against the socialist, the aim of whose politics is radically to change the present forms of property ownership.

After the good times of 1815, the unrest again changes its form. Extreme distress and consequent bitterness are at hand, which we cannot match in this generation.

The obdurate delusion that money can be printed off "to meet the wants of the people" played havoc then as it does still among us. The general fury rose against the banks and against the "rich who padded themselves about with luxury." The misery extended "from New York and Pennsylvania westward to the Mississippi and southward to Tennessee." In Philadelphia, where 9672 men had been employed in certain industries in 1816, 7500 had been discharged in 1819. This city was not exceptional. From a country town 27 properties in land were sold at one time by the sheriff. "All over the North the people were meeting, complaining, organizing, and petitioning Congress and their state legislatures." "The larger part of the people, even with the utmost economy, could hardly obtain the very necessities of life; debts were unpaid, creditors dissatisfied, and the jails full of honest but unfortunate persons whose wives and children thereby became a burden on the township." After describing the evils in Kentucky, McMaster adds, "In the newly made state of Missouri the condition was, if possible, worse." In New York and Philadelphia there was a series of public meetings to devise means to cope with the dangers. The fourth volume of McMaster devotes an entire chapter to the "Pauperism and Crime" that followed this period. "Never," he says, "in the history of our country had the sufferings of the dependent and unfortunate classes been so forcibly and

persistently brought to the attention of the public, for never before had so many worthy citizens been reduced to want.

"Hundreds were glad to work for 37 and even 25 cents a day in winter, who in spring and summer could earn $62\frac{1}{2}$ or perhaps $87\frac{1}{2}$ cents by toiling fourteen hours. On the canals and turnpikes \$15 a month and found in summer and one-third that sum in winter were considered good pay. In truth, it was not uncommon during the winter for men to work for their board. Nothing but perfect health, steady work, sobriety, the strictest economy, and the help of his wife could enable a married man to live on such wages. But the earnings of women were lower yet. Many trades and occupations now open to them, either had no existence or were then confined to men. They might bind shoes, sew rags, fold and stitch books, become spoolers, or make coarse shirts and duck pantaloons at 8 or 10 cents apiece. Shirt-making was eagerly sought after, because the garments could be made in the lodgings of the seamstress, who was commonly the mother of a little family and often a widow. Yet the most expert could not finish more than nine shirts a week, for which she would receive 72 or 90 cents. Fifty cents seems to have been the average.

"To the desperate poverty produced by such wages many evils were attributed. Intemperance was encouraged, children were sent into the streets to beg and pilfer, and young girls were driven to lives of shame to an extent which, but for the report of the Magdalene Society in New York and the action of the people elsewhere, would be incredible."

Among the twelve demands made before 1830, the

following have great prominence: "the right to the soil," "down with monopolies," "no imprisonment for debt," the "abolition of chattel slavery and wage slavery."

The working hours per day in one Connecticut mill were fifteen, and this was no exception. One in Paterson, New Jersey, required women and children to be at work at half-past four in the morning. What would Lowell weavers say to-day if they were forced by their employers to attend church on penalty of dismissal, and be taxed, moreover, to support religion?

Once more let the comparison be made between the present and a time still within living memory, roughly, from 1830 to 1838. The fault-finding with existing institutions was wide and bitter. At that time, moreover, what we call "the labor question" had come to very distinct consciousness. Discontent among workmen led to the formation of a political party in New York as early as 1829. In their resolutions, Henry George was anticipated in the opening paragraph, "The appropriation of the soil of the state to private and exclusive possession was eminently and barbarously unjust." In Art. 3, "the hereditary transmission of wealth" is considered as one of the causes of the prevailing poverty and distress. Or, in their own words, "a prime source of all our calamities." They insist that all the evils of the feudal system were upon them. The movement was vigorous enough to establish newspapers in at least four states. In 1832 a convention was held in Boston, represented by delegates from six different states. The "evils of monopoly" was a

topic of discussion, and among the lectures organized by the trade unions a few years later, "Corporations" is on the list of their subjects. The contemporary records are so full and explicit that one who has been taught that labor troubles have arisen, for the most part, since the Civil War, has utterly to shift his perspective. There were many and bitter strikes. There was a labor party, a reform party, and an anti-monopolist party. There were indictments for conspiracy against trade unions. Two thousand men were "in line for agitation" in Boston in 1834. The "scab" was then a terror to the trade union and received, not infrequently, very brutal treatment. In the same year, in Massachusetts, nearly three thousand women were on strike. The still earlier agitation for ten hours was accompanied not only by strikes, but by such lawlessness as to bring out the militia. Perhaps the most distinguished French economist of his time, Chevalier, just then upon a visit to the United States, expresses great surprise at these events.

If we turn from the general to the more special grounds of dissatisfaction, it is difficult to select any present symbol of irritation that cannot be mated in the past. In Washington before a private committee of the Senate I listened to a plea of trade-union representatives that the "injunction" be prevented. The chief spokesman said it was "new in our history" and "had come with the recent domination of great corporations." Yet the literature which workingmen have themselves brought out shows how long they have been harried by the courts in time of strikes. The common English law, a century ago, held rigidly

against "dangerous labor combinations" and "labor conspiracies," nor was there the slightest hesitation in its enforcement. This was, of course, not the "injunction" as we know it, but the conspiracy laws were no less vexatious to organized labor.

The Philadelphia "cordwainers" were trained in the tactics of the strike. They had raised their wages until, in 1805, they were thought to be ruinous to the employer. The strike in that year brought them before the courts, where they received severe sentence for conspiracy. The boycott was common in these early conflicts. The New York shoemakers compelled the journeyman coming to the city to join their union. If he refused and took work in another shop, a strike was ordered against that shop. If an employer had an apprentice not belonging to the union (a scab), the union would forthwith order a strike. An outbreak with every symptom of the "sympathetic strike" in 1809 brought the union up for conspiracy.

To-day, if the employer fail, the laborer has a lien upon the property to make his wages secure. The struggle early in the century to obtain this right was ridiculed as an attack upon social order. The laborer might be paid (not weekly as now) but at utterly unknown intervals, six weeks or three months, and even then the sort of money he received was so often subject to discount, as to constitute a very bitter injustice.

One's first impulse is to question the gravity of these offences against labor, but every accessible record shows how real they were. This view will be strengthened if we look in more detail at a single grievance. It was not confined to labor, but such

multitudes of workingmen felt its cruelties that we find it very prominent in labor programmes. It was imprisonment for debt.

No one reports these facts more carefully than Charles Loring Brace.¹ He says, "As late as 1829, it was estimated that there were as many as 3000 of these unfortunate persons confined in prisons of Massachusetts; 10,000 in New York; 7000 in Pennsylvania; 3000 in Maryland; and a like proportion in other states. In the Philadelphia prisons of that year there were imprisoned for debts of less than \$1, 32 persons; and in thirty prisons of the state, 595 persons were imprisoned for debts of between \$1 and \$5. Many of these were honest debtors, who had been unable to pay, solely through misfortune. The proportion of debtors to other prisoners was as 5 to 1."

The Report of the Boston Prison Discipline Society, page 388, says: "We have known of a respectable mechanic imprisoned for a debt of five dollars, contracted by his family at a grocer's while he was very ill; he was sent to jail, and he was not only without a shilling, but his family was without bread, because he was not able to work." The keeper of the debtors' department of the Philadelphia prison reported, in 1828, 1085 debtors imprisoned; their debt amounting to \$25,409, their expense to the community, \$362,076; the amount of the debt recovered in jail was \$295. In 1831 the *Gazette* of that city reported forty debtors imprisoned for debt amounting to \$23.40. One man was confined thirty days for a debt of 72 cents; another, two days for 2 cents; another, thirty-two days for 2 cents; seven were con-

¹ "First Century of the Republic," p. 458.

fined 172 days for \$2.84, and the only debt recovered was one of 25 cents.

This is the period of which McMaster writes, "Never in the history of our country had the sufferings of the dependent and unfortunate classes been so forcibly and persistently brought to the attention of the public, for never before had so many worthy citizens been reduced to want."¹ Thus it is evident that so far as *reasons for discontent* are concerned, labor in the good old times suffered many an ill that we should not for a moment tolerate.

The reader, impatient of this dull rehearsal, has already asked what good turn can be served by lingering among these old-time ailments. These glimpses of evil and disturbed days among our ancestors do not lighten a single burden under which the present suffers. No report of ancient ills can lessen our own aches.

Historical retrospect does for us, nevertheless, one inestimable service. It helps us to see the facts of social growth and order in some due relation and perspective. To keep this perspective is the hardest test to which the student has to submit. Even a little history may give sounder judgments upon the large whole of our industrial and social existence. To forget or to ignore this past, to concentrate violent attention upon the disturbance of to-day, is not to see things socially at all. I have heard wittier and less labored definitions of a crank, but never a

¹ Among the best sources of trustworthy information are the files of the *United States Gazette* during this period. In the Congressional Library at Washington may be seen under glass several examples of "posters" showing the political efforts of the workingmen.

truer one than this, "A man who sees one fact so vividly that he is blind to all the other facts which alone can explain the one he sees." Even criticism has its responsibilities. It should select its object with some degree of discrimination and deal with it in its relation to other facts of which it may be a part. The frenzy of miscellaneous abuse is perhaps the cardinal vice of a whole mass of emotional utterance and literature upon the social question. There is no healing for these distempers of excessive statement like that which historic experience affords.

II

In endeavoring to compare the spirit and grounds of complaint in different eras, we are met by one difficulty that should not pass unnoticed. The common people in earlier times had no easy way to popularize their sense of injustice. A Roman strike was followed by hanging six thousand strikers between Rome and Capua. The fact was chronicled as we should chronicle an unusual frost, but the plebeian multitude had no means to stir the whole public opinion in its favor; to get its wrongs talked about, much less acted upon. The avenues for the voicing of discontent have multiplied with popular education to a degree so extraordinary that we may now easily be deceived both as to its nature and extent. In a commercial age (if all have been taught to read) the thing that pays spreads. The scale on which social fault-finding and restlessness could be made to pay good dividends was not dreamed of by our ancestors. This art is perfected in the modern press. It has been said, "Blessed are the people

whose records are dull." Yes, but such records are not commercially profitable. Peace and contentment have no dramatic quality. It pays to sound the tragic, the morbid, the alarming note, because interest and curiosity are stirred.

No sign is better than the cry of the newsboy upon the street. He does not call out, "Most excellent health through all the community!" "Not a divorce for the entire month!" "No accident or scandal since the last edition!" This would be good news, but he knows his customer. He knows that everyday happiness, the common welfare, and the dulness of good behavior do not sell his papers. The press has also learned its lesson. It has learned that our fault-findings and our agitations may be turned to a money profit. "If I can find fault enough and state it in the right phrases, no papers are left on my hands," is a saying reported from one of the most successful American journalists. The French press has come to be, in this respect, as mischievous as our own worst journals. Some of the most popular of the Paris sheets have brought this art of exploiting social dangers and dissatisfactions to the point of last refinement. An editorial writer in London, well known in this country, told me that the paying element in first-rate alarmist writing had at last come to be understood in England. "The young fellow's fortune is made," he said, "who learns the trick of phrasing criticism against the present social order." If the people of any past century had possessed our machinery for telling and spreading their fears, their gossip, their corruptions, their tragedies, they would appear to us like a people of

whom we had never heard. This new facility for the utterance of our complaints becomes also a cause of the evil. To insist loudly and incessantly that things are ill, is to help make them so, although there is some hope that the sheer din of the caviller may tend at last to beget insensibility and indifference, as excessive advertising may sometime defeat itself by its dreary universality. We shall learn after a while that there is no relation between the excellence of forty different kinds of shoes or soap and the hideous disfigurement of pleasant landscapes.

Francis Walker was wont to make much of the encouraging influences upon the mind of the laborer of open and hopeful chances of work. As long as it could be said, "I can go either to a factory or take up a homestead from the government at a nominal price," the mere alternative gave a sense of freedom and independence, as well as a tendency to strengthen wages. Now that the public domain has been disposed of, this special avenue of possible chances is shut. For the first time in our history, the population turns back upon itself. Who would dare to stand before an audience of workingmen and give them to-day Horace Greeley's advice, "Go West"? It would be met with shouts of derision. This change has already become a very vital part of our labor problems. It has made large sections of the less skilled among the workingmen honestly feel that it is no longer possible for them to get beyond utter dependence upon the employer. Until very recent times all were encouraged to believe that they could become independent as employer or as capitalist. This had so substantial a basis of truth, that it gave rise to

a kind of religion in which the saving practical virtue was thrift, and the ideal, a fat bank account with its heaven of "independence." Barring skill and unusual enterprise, the feeling has deepened and widened among workingmen that these fine hopes have so sadly dwindled that they exist as mere lottery chances. One may put this to accurate test in many of our industries. In my own city the conductors and motormen upon the trolley cars are carefully selected and well paid, but the question put to more than forty of them, "Is there any chance in your position of getting on very much?" elicits usually only good-natured surprise that such a question can be asked. There is rather the dogged feeling that it must be made the best of. One said to me, "I am thankful to get this; if I dropped out, a hundred men would jump at my chance before supper. All I hope for is to keep this job twelve years at most, at the end of which I shall have what I am getting to-day, two dollars and a quarter." I asked him if he were married. "Yes, and I have three children, but I have no business to have them. With city rents and market prices about Boston, I can just keep even. The best luck I expect is to stick here till I am forty, then they will want a younger man. I left my country town because farming only keeps you alive. Down here I just keep alive, too, but it ain't a graveyard, as it is up there in the hills." Some millions of men in the United States are at the present moment in the situation of that motorman, so far as expectations are concerned. For commonplace and average abilities, in mill and factory, the cheering promise of getting free from an "existence wage" scarcely ex-

ists. For special gifts, the prizes never were so high as now. For ordinary capacity in the common industries the old hopes are lessened.

A clear and conservative statement of this evil is given by President Hadley: "Certain it is that the prospect of becoming capitalists does not act as so powerful a motive on the laborers of to-day as it did on those of a generation ago. The opportunities to save are as great or greater; but the amount which has to be saved before a man can hope to become his own employer has increased enormously. When a man who had accumulated a thousand dollars could set up in business for himself, the prospect of independence appealed to him most powerfully; when he can do nothing but lend it to some richer man, the incentives and ambitions connected with saving are far weaker—too weak, in many cases, to lead the men to save at all, except through the medium of a friendly society or trades union. We thus have a separation of the community into more and more rigidly defined groups, different in industrial condition, distinct in ideals, and oftentimes antagonistic in their ambitions and sympathies. This separation of laborers and capitalists into distinct classes involves serious dangers to society as a whole."¹

Not wholly different from this is another source of unrest. It has long been known that well-paid labor is quicker to take offence than labor of a lower grade. That men with higher wages should be the first to strike, has vexed many an employer and filled many polite persons with astonished disgust. It is nevertheless what the race, in its most progressive stages, has

¹ "Economics," p. 371.

always done. Higher earnings, ampler knowledge and freedom, go with new ambitions and a keener sensitiveness about all hindrances to progress. Every improvement, every step in the enjoyment of new comforts which leisure and better pay afford, constitutes a reason for new efforts. A higher standard of living once gained, becomes of itself a sentiment so responsive, that any act or event which seems to threaten that standard arouses instant alarm and hostility. The force of this is not seen unless we realize the rapidity with which new wants, in our age and country, are formed. The higher standard of comfort, — food, clothing, housing, leisure, — once established, becomes a necessity so imperious, that men will put forth their whole strength to maintain it. A shrewd builder of workingmen's houses in a Massachusetts shoe town says, "I don't dare to put up a house now without a bathroom, so many of the shoe hands have got a taste of it, that all demand it."

We know personally, or by observation among the well-to-do citizens, that any serious lowering of income — as, for example, from \$5000 to \$3000 — is looked upon as a disaster. Do people of ampler income lack imagination that they fail to see the bearings of this fact upon the threatened income of the wage earners? A study has been made of an Eastern town in which more than four thousand American workmen receive a wage that does not average \$1.85. What must it mean for a family of five persons to have this sum cut even 25 cents a day? The worst — as it is the commonest cut of all — is the large average of days in the year when there is no work, and pay stops altogether. The simplest

addition of cost for the invariable necessities — food, rent, clothing — makes clear how narrow a margin is left. I choose the employees in this town because they rank distinctly above unskilled labor, and have won a standard of life from which every loss is dreaded, because the expenditure of respectability in their group is endangered.

Every little sign of respectability which the higher wage makes possible — the parlor organ, the cheap lace curtains, the beribboned furniture, the gaudily framed family crayon — soon becomes the basis of a sentiment as powerful as it is salutary. Do we imagine that their symbols of respectability mean less to them than to the fops of the fashionable quarter? I have known a man grow gray with trouble in five years because his income shrank just enough to force him to move into a less distinguished part of the town. He still had every possible comfort, but could not have the private school, the doctor, the dentist of the élite in his former neighborhood. Workingmen, and more especially their wives, who have once gained the income of modest comfort, have something to lose, upon which great price is set, and therefore organize, strike, and struggle, often in most regrettable ways, to maintain that standard. The fear of losing their standard acts upon them precisely as it does on their "betters." Lowest paid labor revolts less frequently, not only because it is duller and more helpless, but because the sentiment which gathers and strengthens about the newly won luxuries is still too feeble. It is the sense of insecurity, lest these symbols of getting on in the world may at any time be lost, that is at present, as it is long likely to re-

main, one of the deepest and most justifiable sources of discontent. Nothing is so habitually ignored, in attempts to understand industrial struggles, as the force and prevalence of this sentiment.

It is a little tedious to refer to general education as a cause of discontent, but its consequences are so momentous that its omission would be unwise. Popular education and the spread of democratic ideas evidently introduce influences calculated in their very nature to stimulate the feelings out of which unrest grows. It would puzzle one to conceive a more fertile breeding-place of unsatisfied desires than that which present educational facilities offer. It is the essence of education to arouse mental activity, with the sure result that thousand-fold new wants, cravings, and ambitions are quickened into life. The number and importunity of these wants have apparently no limit, while upon their satisfaction there is a constant check. The basis of this education has been a rising material prosperity to the same end of awakening still further wants. A retired Cape Cod captain once gave me a list of things—food, clothing, furniture, reading matter, etc.—which entered into the usual family consumption in his community sixty years ago. These were compared with the articles in present use in the neighborhood. The difference in kind and variety of things enjoyed in the two periods were, as they were brought together, far more striking than either of us had believed. After reflecting upon the contrast, the old man said: "Yes, that's the trouble. My father wanted fifteen things. He didn't get 'em all. He got about tēn, and worried considerable because he didn't get the other five. Now, I want forty

things, and I get thirty, but I worry more about the ten I can't get than the old man used to about the five he couldn't get." Could any pedantry of language or of statistics tell more truth or better truth than this? The sixty years had brought great changes in the standard of life, but the old relation between wants and their satisfaction remained. Though in the coming sixty years the affluence of wealth multiply our material prosperity an hundred-fold, is it to be expected that the margin of unquenched desires will be narrower? Will the ratio of cravings which we cannot appease be essentially diminished? To what race experience could one point to justify this expectation? Unless we assume the hope of an education profoundly modified, an education the supreme purpose of which shall not only be to sharpen the edge of intellectual cunning, but, at least, in equal degree, to strengthen the moral and social sympathies, we seem likely to the end of time to be whipped on by a multitude of wants that will overtop every means to gratify them.¹

There is no end to the number and variety of illustrations to show the unrest that goes hand in hand with education and material prosperity. None is more familiar than the higher education of woman that has been organized on so generous a scale during the last generation. We do not doubt the large advantage it brings to her and to the race. It has,

¹ I have heard a learned Catholic say that it was one of the superiorities of his religion over Protestantism that the ratios of insanity and suicide are so much lower in Catholic communities. He traced these ugly phenomena chiefly "to the discontent which follows a restless and successful materialism."

however, helped create a restlessness which newly awakened faculty and enlarged opportunity inevitably bring with them. There is already a literature of the subject. For a dozen years English and American Reviews have reflected these perturbations in scores of articles: "The Revolt of the Daughters," "The Passing of the Household Drudge," "The Unquiet Sex," "The Cry of the Mothers," with variations innumerable. During this time we note two influences working together: industrial development and the higher education, both of which act to enlarge woman's opportunity. It is claimed that twenty-five years have widened woman's avenues for earning an independent livelihood from some hundreds to as many thousands. Industrial and intellectual opportunity alike have worked greatly for her economic independence. We have, in a word, in so brief a period, a ratio of progress of which previous history has no hint. The feverish agitations of the "woman question" have, however, been a very part of this general uplifting, but the thousand new chances to earn a livelihood, the thousand girls' schools and scores of colleges, have only intensified the claims which woman raises for a larger life. The "woman question," with all its restlessness, is a natural fruit of the new occasions.

Again, we think of the Germans as the most thoroughly educated people. Especially since the period dominated by the fateful personality of Bismarck, Germany stands out preëminent for what is generally connoted by the word "progress." There is the high tide of race vitality, as indicated by the enormous annual surplus population. The rise in her material

standard of living has been rapid and widespread. Her commerce, stimulated by the most efficient commercial training the world has seen, frightens every European rival by the vigor of its growth. Yet with the flush of great victory still warm upon her, this nation, if we may believe many of her most eminent writers, was never more lacking in contentment, never more ill at ease than now: Von Oettingen speculating gloomily upon the significance of increasing suicide, rising highest at the very points where education has done its completest work; Von Treitschke, before his death, telling his class in history, that he looked with growing alarm upon the signs of discontent among the masses; Paulsen taking the strange phenomenon for granted, as if not open to dispute, and trying to account with much scholarly ingenuity for the causes of the malady.¹

Just before his retirement the chancellor, Prince Hohenlohe, used these words before the Royal Academy of Science: "I have grown old in the belief of the constant progress of humanity. But within recent years my confidence has been badly shaken. The indispensable battle of life has of late assumed so fierce and coarse a form that we are reminded of the wild and fantastic tales of animal life in the antediluvian ages. Instead of progress, retro-

¹ Many acute references to these pessimistic humors of the time may be found in Professor Paulsen's volume "Die Ethik." It is a book which is likely to have a higher value to later generations because it mirrors with singular vividness the average educated thought of the time upon a great variety of culture subjects. See, for example, the passage, page 116, ending with the words, dass Steigerung der Kultur nicht nur die Glückseligkeit nicht steigere, sondern vielmehr Schmerz und Enttäuschung vermehre.

gression, rather, seems to mark the beginning of the twentieth century."

Both illustrations indicate that the sense of ills is not confined to the industrial field—to the friction between capital and labor. In every phase of life where the "strife for things desired" goes on, the same restless antagonisms, the same dissonance of opinion appear. They appear among the different schools of literature, in politics, in art, and in science. In the very sphere of the harmonies, music, the angry assertion of discordant judgments (as among Wagnerites and their opponents) will easily match the worst polemics of social and industrial disputes. If we except religion, these are narrower fields than those in which the industrial struggle goes on. Yet the factions in art, in literature, in science, in religion, include those to whom civilization and culture have brought their best gifts. We should have expected the amenities to prevail in these spheres, but experience shows them to be rent by the same uneasy spirit which animates human activity as a whole. It is thus a point gained for clearer discussion to see that it is all the unrest of human life, and not that of some partial phase of it. Of religion, too, another word should be added.¹

¹In that most thoughtful book, "The Theology of Civilization," Introduction, vi, Charles F. Dole says: "There is seething unrest; there is doubt of the sanctions of religion; there is a sense of coming change; there is suspicion that premises and foundations, once unquestioned, are now perhaps undermined; there is challenging of existing institutions—social, economical, ecclesiastical. Are the present institutions such as the world will continue to find use for? There is dread mingled with hope. What possible revolutions may not impend, setting the old order aside?"

One cannot omit from the causes of unrest the slow decay of authority in religion. Even if what is deepest in the religious spirit is, as many hold, unabated in its strength, the element of religious authority has lost much of its power over men. If this loss is seen as a part of other influences which accompany it, few will doubt that for certain temperaments, especially in the Protestant world, this loss has brought its own deep disquietude. This is not aside from the social question. Its literature is filled with angry or sorrowful complaints that religion, as actually embodied in the church, has been systematically, even if unconsciously, used to quiet the masses and reconcile them to their lot. One of the most honest and intelligent labor men I have ever known, told me that as long as he really believed what he understood his pastor to preach, he was fairly content. "The sermon," he said, "always appeared to me to reconcile things I couldn't understand. Mysterious religious authority was always given which I accepted. When I talked to the minister about definite cases of suffering in a hard strike, where he and I both believed the men were not to blame, he still insisted that somehow it was all right, and somewhere in the future it would be set straight. Now, my experience has taken that belief out of me, or, at any rate, the kind of authority he gives for it, I cannot any longer accept. Nor do I believe the Jesus he talks so much about would have accepted it or acted on it either. The successful classes, even if they didn't know it, or mean it, have used religion and heaven to keep the peace and to put off a lot of troublesome duties. When I found this out, I threw it all over."

That individual experience, without one shade of heightened color, stands for the position of a great multitude of the more intelligent workingmen in every country. It is clear what this must mean. The dissatisfactions that were felt, while religious authority still held some sway over them, were silenced, or spent in vague wonder on other worldly speculations. If injustice was felt, there was no thought of blaming God. "Now," as my friend added, "when the ghosts are out of the way, we put the blame where it belongs—upon present human society and upon those who control it." These feelings, however poor a reason they can give for themselves, are far more embarrassing when they are vented upon the actual social régime; when turned from the other world straight upon this. The decays of faith are, of course, in no way confined to a class, nor does the illustration just given point to the most serious fact, which I conceive to be this: the old authorities are being abandoned at the very moment when material successes and sensuous gratifications multiply at a rate compared to which our ethical advancement seems moving at the snail's pace.

It is not only the nature of education to create more aspirations than can be realized; it is also the nature of all political agitation. That men are "politically equal" may remain long a harmless proposition; but when it has done its work, when it has become so thoroughly accepted as to form a common assumption of thought and discussion, new and disturbing questions are sure to be asked. It was once quite an amazing absurdity that man should ask for religious equality, yet this has been attained.

It was thought by the wisest of men, less than two centuries ago, just as preposterous that men should make claims to political equality, yet this, at least theoretically, has been won. Is it probable that the questioning will end here?

Will a race, spurred on by an ever ampler and more insistent cultivation of its faculties, halt, in its inquiries about equality, on the confines of religion or of politics?

With the plain fact of *economic inequality* of very extreme character staring us in the face, the question is being raised here, too. It has grown clear that when a certain stage of discipline and civilization has been reached, religious and political inequalities are felt to be socially mischievous. Nothing will hinder the raising of the next query: Is the present industrial inequality worthy of more respect than the other inequalities? Philosophers have speculated about this from early times. It is a different matter when the masses learn to raise the question. The analogy here, it must be admitted, is risky. A wholly different order of questions is raised on the industrial field. The reasons for our material inequalities are at so many points different from the inequalities of the religious or political field that the comparison may easily mislead us. These are, however, distinctions for which the general judgment may have scant regard. It is so easy to prove that anything like a literal economic equality is fatuous, or, at least, that we stand in no practical relation to such a result, that it may seem safely beyond range of sober discussion. Careful observation shows, however, that it is not a literal industrial equality that is meant by those who

have opened and popularized this speculation. A growing number of writers, and among them economists of the first rank, do not hesitate to put the aim toward far greater economic equality on a par with the two other equalities. Nor is the aim confined any longer to books.

A distinguished Australian judge, the late Sir William Windeyer, said while in this country: "We have not learned to manage our social legislation without most regrettable blunders. Our state railways have got into politics, there has been jobbery, and the application of the best inventions has been kept back by selfish interests. We have lived gluttonously on borrowed money, and piled up large city debts. All this is true, but it is not all the truth. It all came so fast that it ran away with us. We are beginning to face the situation, and shall eventually learn our lesson. Meantime, in spite of our blundering, nothing would induce the Australian people to turn back. We have accepted the democratic principle, and shall learn in good time to apply it industrially to our monopolies, as we have learned to apply it generally to politics."

Much of this legislation shows openly and directly that it aims to make the massing of great private fortunes increasingly difficult. One of the foremost of New Zealand legislators, Hon. W. P. Reeves, states the purpose with great boldness, "It is the unconcealed object of our social legislation to make democracy consistent and possible—to create conditions out of which such threatening extremes of wealth-ownership cannot grow." These attempts may fail. Capital may take wings, and the daring of individual

enterprise may be dulled to the general loss; but a multitude of people are so incredulous about this that legislators will be compelled to far wider experimenting in the same general direction.

Thus, in the world of comparative politics, this clearly conceived ideal of giving labor a new chance, of using the powers of government expressly to this end, has been openly accepted. It is conspicuously under trial. Its story occupies increasing space in the laborer's thought. Though failure follow in its track, the heart of this great purpose is a noble one: to use the full strength of public authority to raise the standard of comfort, of leisure, and of culture among those classes that have known far too little of either. As this endeavor becomes known, it raises hopes for the future and discontent with actual limitations. Every ideal passion among the laboring sections now centres about this aspiration to raise this life standard and to preserve it against all adversaries.

Thus far the actual proofs that popular government can perform these prodigies in well-doing are meagre enough, but the effort will be made, and it will come through the avenues of politics.

It is thus the sum of these causes of unrest, reaching new intensity in each succeeding period of business depression, and assuming a more consciously political character, that distinguishes the restlessness of our age.

It is here that we reach such important difference as there is between our unrest and that of the past. The forces of discontent can now show themselves in politics. Even if our dissatisfactions are no greater than in other days; even if they are fewer, they have

found a more effective medium of expression. It is not only discontent plus education; not only discontent plus the press to voice it; it is discontent plus the vote. The spirit of revolt can now make record of itself in political activity. It can be turned to account by every demagogue. It can create legislation and direct the machinery of government. The word "socialism" stands for the new defiance. It embodies the unrest and the disapproval of commercial society as it now exists.

CHAPTER IV

THE SOCIAL QUESTION AND ITS ECONOMIC SIGNIFICANCE

ONE sees social questions innumerable, but what is meant by "the social question," as if a single issue dominated all others; as if society were afflicted with a single ailment? Statesmen and economists of first eminence can be quoted as speaking and writing upon "the question" as if so simple a term covered the facts. I have seen in a private library nearly one hundred different volumes and pamphlets with the title "The Social Question," or titles strictly synonymous, implying that some one all-inclusive issue had arisen to vex the present generation.

It is first to be noted that those who speak of "the social question" differ widely and often radically as to what the question is. There is a social question to the ultra-individualist, Auberon Herbert, but it has scarcely a single point in common with the social question of that man of ponderous learning, Dr. Schaeffle. Henry George had his question, but it differed fundamentally in two out of the three chief points from the question of Sidney Webb and John Burns. There is not one issue, nor the same issue, for the single taxer and for the socialist. It is an error well-nigh humorous to suppose that even socialists have anything like a single issue. Compare the Marx tradition with that of the English Fabians, or

with that of the able collectivist leaders of the Belgian Parliament. Both in theory and in practical remedies are differences not only of degree, but of kind. Even a little study of the social literature shows that in doctrine and in practice the writers are dealing with a great variety of conflicting issues. I have made from this literature, in the last fifteen years, a list of eighty-four "remedies" for the social question, *i.e.* remedies that were believed to be sovereign. The causes of our ills, in these writings, were fewer than the remedies, but the "root evils" were so many and so various, that to speak of *a* question or *the* question without explanation is open to confusion. Is it "over-production" or "under-consumption"? Is it "adherence to the gold standard" or is it the "silver craze"? Is it "monopolies" or "speculation" or "extravagance" or "over-saving"? Is it the "three rents" or the "private ownership of land"? These are a few of the most commonly assigned causes of our troubles that are most nearly akin. But who could create out of them a single issue? Especially if remedies are introduced, we face many questions, and not one question. If the followers of Henry George are right in holding that the present forms of private land ownership constitute the supreme evil, they are justified in insisting upon "*the* question" and upon "*the* remedy." The socialist who adds to the George evil the private control of the "means of production" raises new complications for which a simple formula is more difficult. If the socialist has become confessedly "opportunist," the simple formula, for theory and its application, is still more inadequate. Shall the term "social question," then, be

left to the single taxer or to the socialist of the ultra-doctrinaire type?

It would be over-nice to put these limits upon a phrase that has so passed into common thought and discussion: it has the authoritative stamp of so many leaders in economics, in politics, and in general literature that it seems unwise to reject it. To accept it without discrimination is no less unwise. If the term is taken neither too seriously nor too literally, its use need not mislead us. Even the narrower term, "the labor question," raises, if closely examined, the same embarrassment, yet it would be pedantic to refuse all use of it. Gladstone even gives a date to the rise of the labor question, which he says "may be said to have come into public view simultaneously with the repeal of the Combination laws" (against trade unions). Do we find fault because people say there is a "servant question"? It lacks definiteness, but conveys a meaning that every one accepts. So many household domestics have become restless, independent, quick to take offence, asking many favors and perhaps granting few, that we have placed this experience among our abiding perplexities. We call it "a problem." The illustration of the servant throws light not only upon a phrase, but upon our whole subject. There has never been a time in our history when the relation between mistress and servant was free from a great deal of bickering and unpleasantness. The entire colonial period is filled with pathetic complaining about servants. Professor Salmon's excellent study¹ will satisfy the most in-

¹ "Domestic Service," Macmillan and Co. Especially Chapters III, and IV.

credulous reader on this point. Yet in spite of this there is doubtless more of a "question" now than in the past. Nor, as with the larger issues, is it any less a question because of the astonishing improvement in the pay and conditions of the servant's life. I have known a woman still active in her eighty-third year who tells me that at seventeen she did the entire work of the household, including the cooking and the care of the new baby, for \$1 a week.

This was the average pay of her neighborhood in Massachusetts. Thirty years later, for fewer hours and for far lighter work, her wages were \$3.50 and finally \$4.50 a week. This does not exaggerate the change for the better in the work and in the remuneration of the domestic. Yet never was more restlessness nor the term of service shorter, nor the entire sensitive relation between mistress and servant more fragile. If we are intelligent enough to avoid the vain attempt to make the behavior of the employer or of her helper perfectly rational, there is little difficulty in accounting for the sentiment from which the difficulty chiefly springs. The rise of wealth has been so rapid that this service is always in demand. There is, perhaps, no more telling proof of material prosperity in the United States than the history which domestic service affords. Nothing but great material gains could have given domestics such opportunities within living memory. Their wages have trebled with far easier tasks and increase of freedom. To many disturbed persons this remarkable progress in the lot of the servant is precisely what constitutes the absurdity of the situation. "Do these creatures," it is asked, "want the world?" They want, like their

betters, all they can get: all the comforts, all the leisure, all the income they can command. Contentment and docile behavior are not a consequence of enlarged income and increased well-being. These new acquisitions, as we all observe, rarely quiet discontent; oftener, indeed, augment it. Every addition to wages, every opportunity opened to the imagination by easier travel, by the press and by education, quickens the desire to change one's place, in the hunt for a "better thing." A troubled New York mistress says: "It is all the fault of the *New York World*. My servants never bothered me much until they got the habit of reading every day the 'ads' and 'wants' in that paper." But this lively journal merely reflects modern life. All its agencies tend to intensify the consciousness of what is undesirable in our actual possessions. There is scarcely a device of the new conveniences that does not plague us into dissatisfaction with our actual place and belongings. The objectionable self-direction of the domestic is full of unpleasantness, but it is as futile to rail at it as to abuse any other consequence of growing democracy. I have seen a proud woman grow white with rage because a servant, who had given references, dared to *ask* for references. This astonished wrath is a symbol of the conflict of ideals in this relationship as well as of its probable duration. However imperfect this illustration of the term "servant question," we see, altogether apart from its rights or wrongs, that a problem has arisen out of disturbed feelings as to prerogatives. It is purely a sentiment, but it makes all the riddle there is. The social question is but a wider and more complex issue. Its perplexities are

made from the same stuff of human ambitions to get on and up.

We may now enlarge our inquiry and ask: Is there a social consciousness of things industrially wrong that has definiteness, volume, and persistence enough to make a grave problem for our time? It would be fatal to take the measure of our unrest from the prosperous periods alone. An average must be taken which includes the crisis and times of depression. The answer, if it is to carry conviction, should point first to those facts that are open to least dispute and to least misunderstanding. I therefore begin with an illustration that shows the problem in its very simplest form. In a town recently agitated over the private ownership of its waterworks, I was told by a large owner in the company: "It is all very absurd. We have put in a splendid plant with all the new inventions up to date. We have good water and plenty of it. The rates are not exorbitant, and this is admitted. Yet, somehow, there has been growing up a feeling of hostility against the private company for a dozen years."

Here, as in a child's primer, is the economic aspect of the modern social question. It is created by this local feeling of hostility. It presents, in this instance, no difficulties for our analysis because of its simplicity. Its value as an object lesson is all the greater. Why, even with no very special abuses, should a town be agitated from so slight a cause? One of the owners assured me it was all the work of two local demagogues. "This nonsense of city ownership," he said, "is in the air, and they make political capital out of it." To few others in that town was this explanation sufficient.

During some days spent in this community, I asked many different people why so much feeling had arisen. I went first to the leading merchant, then to a lawyer, then to an editor. What they had to tell was monotonously familiar to every student of these questions. As in hundreds of other towns, the people of an earlier generation had freely given the right to distribute water to a private person. He was the most enterprising man in the town. He was willing to take the risks and did in his time an unquestioned service to his neighbors. Incalculable millions' worth of franchises for railroads, street cars, and lighting companies have been given away in precisely the same manner. Many an interest which may become finally a most objectionable monopoly *begins* and long continues to render indispensable service, just as the truck store is often at first useful and necessary to workmen, but later may become rank with abuses. Populist critics have been very severe against the railroads because of the unearned increment secured from the alternate sections of land given by the government. The Illinois Central, for example, secured enormous land grants in 1850. This has been called "a colossal robbery of the public domain," but no one will read the speeches in the Thirty-first Congress on this grant, without seeing that it is very absurd to call it robbery.¹ The ablest men of the time—Seward, King, Douglas, Cass, Benton, and Henry Clay—believed the regions through which the proposed roads were to run to be practically worthless. They believed the risk of the enterprise to be very great. Clay said: "There is nobody who

¹ Proceedings of the First Session of the Thirty-first Congress (p. 844), April 29, 1850.

knows anything of that grand prairie who does not know that the land in it is utterly worthless for any present purpose, not because it is not fertile, but for the want of wood and water, and from the fact that it is inaccessible, wanting all facilities for reaching a market or for transporting timber, so that nobody will go there and settle while it is so destitute of all the advantages of society and the conveniences which arise from a social state. And now, by constructing this road through the prairie, through the centre of the state of Illinois, you will bring millions of acres of land immediately into the market which will otherwise remain for years and years entirely unsalable."

Seward thought the grant for "the best and highest interests of the people of the United States." The government, he adds, "owes to itself and to the states to make liberal and at the same time judicious appropriations, to extend its network of railroads and canals over these new regions, where the people and the government are unable to construct the work themselves."

Benton's words were as follows: "The principle of the bill before the Senate is to take the refuse lands and appropriate them to a great object of internal improvement, which although it has its locality in a particular state produces advantages which, we all know, spread far and wide; for a good road cannot be made anywhere without being beneficial to the whole United States. . . . Sir, you may travel a hundred miles through a country of marshes and uncultivated land, which is not only worthless, but far worse; it becomes a place where miasma is generated and where beasts have their haunts. But this bill

proposes to make some beneficial disposition of these lands. Of the general principle of the bill I cordially approve."

Douglas said: "These lands have been in the market from fifteen to thirty years; the average time is about twenty-three years; but they will not sell at the usual price of \$1.25 per acre because they are distant from any navigable stream or a market for produce. A railroad will make the lands salable at double the usual price, because the improvement made by the state will make them valuable. It is an old practice, long sanctioned by the government; we propose now to give away half of it on condition that the other half shall be rendered worth \$2.50 per acre."

King and Lewis Cass spoke strongly to the same effect.

This was at the time honest opinion. It prevailed because it was widely believed that this lavish gift of land would result in progress for the common benefit. In Dr. Robert's admirable "History of the Anthracite Coal Industry," the reader may see how inevitably those precious deposits passed into private possessions. It is a story in which the great risks taken are marked by hundreds of failures. It was the exceptional man who made money. The community came to be grateful to any one who could surmount the early difficulties and get coal to market.

Until very recent years the only public opinion to which appeal could be made would have ridiculed any suggestion of state ownership. With that easy wisdom which comes after experience, we wish these

deposits were public rather than private property. We wish, in the days when it could have been profitably done, that the government had set apart large mining tracts just as New Zealand did, and as Canada has done. We were not wise enough at the proper time, but gave every legal sanction to the private owner.

In a New England city where street franchises had proved unexpectedly profitable to a private company, I asked a citizen of genuine public spirit, who had been most prominent in securing the franchise for the company, what he now thought of the transaction. He replied, "It has taken two or three millions of money from the public and made a few men rich, but I made an honest canvass of the town and there was no man known to me in this city who was not glad to have us take the streets and give the public the benefit of our service." Upon the whole this stands fairly for the origin of most of these properties. With the undreamed growth of cities and of population, the fabulous value of many of these franchises and of other monopoly privileges slowly dawns upon us. Both privileges and abuses have become so clear that the public rightly insists upon coming into an entirely new relation with these bodies. It insists first that the public shall have a larger share in the monopoly gains, chiefly through some form of taxation, and second, that the public shall secure itself against specific abuses by an extension of legal control and regulation. There is no more competent or conservative opinion in the United States than that which makes these two demands. The degree to which taxation and regulation shall be

carried, will more and more divide candid opinion along the lines that separate the individualist from the socialist. If the socialistic sympathy is strong, it will insist that no "regulation" can long repress the evils of private ownership in any business that is fairly termed monopolistic. The battle is now on in this country between "regulation" and public ownership for certain forms of monopoly.

In the instance above given of city waterworks, the growth of a sentiment toward public ownership may be seen in its very simplest form. A strong man with his lawyer secured the water privilege. A small number of influential people were allowed to take stock, and ample dividends followed. Rank abuses or gross corruption were never charged. The editor admitted that "the private company could perhaps give us water as cheaply as it could be given under public ownership. "The trouble is," he added, "that a great deal of suspicion has been roused because of the secrecy connected with the whole business. We have found out that a small set of citizens have a high class investment. They give a good many reasons to prove that their management is excellent. It is not this so much that we doubt as that we don't really know what they get or what the public loses. Some ten years ago lectures on municipal ownership were given for the first time in this community. That started the discussion in the local papers. From that time the agitation has not ceased, and it won't cease till we have the corporation in public hands. I am convinced that those business men and lawyers who control the corporation can easily enough keep the plums for themselves. They

are shrewd enough to understand that they must serve us fairly well and have no scandal. They can do that and still keep gains for themselves that ought to go to all of us." The history of the ownership of waterworks in the United States is told in this simple testimony.

But a great deal more is told than this. When the director of the water company said, "Somehow there has been growing up a feeling of hostility against the private company for a dozen years," he put the general experience of a generation into a sentence. It is not certain that upon strictly business grounds this hostile judgment was sound. It is certainly possible that under private ownership water may be distributed as well and as cheaply as under public management; but, in this instance, as in hundreds of others, the people had come to have so much doubt and suspicion that an issue was raised. The slow growth of this town feeling against a natural monopoly is, upon its economic side, the essence of the entire social question. It was in a large neighboring city that I was told, by a writer of national reputation, that his attention to socialistic problems was first aroused by the solicitude of certain directors in a private city gas company, that considerable blocks of stock should be sold to picked citizens. One director was frank in his statement. "There is a good deal of crazy talk in the air about city control of gas. It is so valuable a property that the possessors of it are sure to oppose any movement to take it over by the city, therefore we must see to it that the really influential people, or those who might cause us trouble, have the stock." Professor Rich-

ard T. Ely has told me of an amusingly similar experience. The machinery of the water supply, ministering to the necessities of the whole population, was narrowly owned. The business was extremely simple, the demand for water constant and increasing, the risks were few. Given this situation, the public is sure, upon the slightest suspicion, to ask why the machinery should not be owned by the town it serves. If it is a good property for the few, why may it not be profitable to the many? To this it is said: "Everybody cannot manage expensive machinery as well as the selected few in a private company. The few, guided by self-interest, have superior ability." The people have learned to make one troublesome inquiry about this private superiority. They ask, even if private control is more effective, do the people necessarily get the advantage, or does it pass to private pockets? Suspicion upon this point increases among us every year. When the last century came in (with one or two exceptions), all waterworks were private property. To-day, certainly, more than one-half are under public control, and the tendency is so strong in this direction that the discussion may be said to be practically final for public ownership in this one department.

As we pass to the more complicated machinery, — that, for example, of city lighting, telegraph, and transportation, — opinion is not convinced as in the case of waterworks, but he is a dull observer who does not recognize that the tendency is as steadily in that direction as the movement of a glacier among the great peaks is toward the valleys below.

The contests over electric lighting, except in tech-

nical respects, are still relatively simple, because vested interests have not grown into baffling entanglements. The risks are far greater than with water because electrical mechanism is still in an experimental stage, requiring rapid, constant, and expensive changes. This fact would, in theory, seem to justify the city in throwing the risks of such expensive changes upon private companies. Some German municipalities that have adopted the principle of municipal ownership are careful to leave a risky responsibility of this kind to private enterprise. Yet, in spite of these delicate risks, an increasing number of our cities adopts public control for the same reasons that have brought the changes in the furnishing of water.

The machinery of street transportation brings new complications because of the greater magnitude of the problem, and because of older vested interests. Yet, who that follows the history of popular feeling on these subjects in our large cities doubts that the same critical spirit is steadily growing against the private management of the street-car service. With a far greater machine — railroad transportation and large portions of our mining, that are inextricably a part of the railroad — the purely practical difficulties of public control in our country become formidable in the extreme. Yet no array of difficulties can hold in abeyance the same sentiment that the railroad machinery might in some way be used for a larger common good.

I am not now arguing for collective ownership, but trying to test the currents of opinion. Whether the opinion is discreet or foolhardy, it is as a fact

growing more and more distrustful of exclusive proprietorship over certain forms of industrial machinery that are conspicuously essential to wide public interests. On its economic side, this distrust is the irritating heart of our social problem. I have seen a chart giving the growth of this sentiment against all forms of the great machinery that is loosely classed as semi-public corporations in nine different countries. The result is practically everywhere the same, though with varying intensity. It is found in free and democratic Switzerland, Australia, New Zealand, and England, as well as in autocratic Germany. Forms of government seem alike indifferent to the process of socializing this machinery. Given a certain degree of industrial development, and the inevitable result follows of continuous extension of the public function,—railroad, telegraph, telephone, gas, electric lights, street cars, and of innumerable public works. If there is any authority in the cumulative experience of industrial evolution over so wide an area and under circumstances so diverse, this would appear to furnish a trustworthy instance. This fact of long and persistent experience under a great variety of national and social conditions has the weight and sanction which every considerable record of social growth must always carry with it.

For proofs of this tendency we need not turn alone to foreign peoples. The achieved result of public management is in its infancy with us, but the first great step of transformed opinion and tentative legislation has already been taken. • Dr. Whitten of the State Library at Albany publishes bulletins which

show how steady and strong the drift of public legislation has become among us.¹ Commenting upon this, a writer in the *Nation* observes, "If we define socialism as the tendency to enlarge the functions of government, we must admit that the general drift is in that direction." One of the older of the Boston lawyers, who had occasion to examine these statutes in the different states, writes: "We seem to be giving up all ideas of state functions that I was taught were sound. My college instructors were very dogmatic about the work which the city, state, and government could undertake. Experience has, I think, turned every one of their reasons topsy-turvy. Somewhere in the world I see that the community is doing satisfactorily what my teachers proved to us boys could not possibly be done without confusion and catastrophe." Still wayward and uncertain of itself, the general movement is now easily discernible.

If confined to its economic aspects, the dissatisfaction out of which the social question springs has its origin largely in the growing belief that mechanical science and invention applied to industry are too closely held by private interests. An enormous private ownership of industrial mechanism, especially if coupled with lands and mines, is now clearly seen to carry with it powers and privileges that may easily be turned against every promise of free and democratic society. If it is true that dissatisfaction has gained such headway as to disturb more and more the currents of our social and political life, that of itself makes the problem of our time.

Let us test this briefly, first, by reference to gen-

¹ "The Trend of Legislation in the United States."

eral opinion, second to organized labor, third to certain farmers' associations.

General Opinion

In one of the largest business men's clubs in this country I listened recently to a discussion upon Municipal Ownership. At the close of the meeting the president of the club said: "I would not have believed that notions could change so rapidly on any subject as they have upon this. Ten years ago this audience would have listened perhaps to a plea for municipal control of street cars, lighting, etc., but not ten men in the room would have believed a word of it. To-night, a third of the members, whose interests are not endangered, would vote for it, and most of the others would go so far as to admit that the proposal deserved very careful discussion." A lawyer prominent enough to be president of the local Bar Association added: "Even five years ago it was hard to find any strong man in the club who felt interest enough to talk about the topics two minutes. To-day few topics are certain to excite livelier discussion." I asked to what cause he attributed the change. "Chiefly," he replied, "to the facts brought out by local reform associations. They have proved to everybody, what many of us knew and all suspected, that the city council was as regularly debauched by these corporations as the necessities of their business extension required. The directors always cry out, 'We are under a perpetual blackmail, and therefore can't help buying aldermen.' If they tell us the truth, if regular corruption is a necessity of private manage-

ment in this city, then it is too dangerous a power to intrust to such a body. Though the city would, of course, run the same risks of political abuse, it would be better for the public to take the responsibilities openly, and meet them as best it can."

This illustration possibly overstates the change of general opinion throughout the country, but it indicates fairly how great a change has been wrought. To hear these views from the ablest practical men is no longer a surprise. The tone of editorial discussion is just as marked. One of the most influential of Massachusetts dailies now boldly takes ground in favor of public management, even of railroads, telegraph, and telephone. Two others are ready at all times to discuss the municipal issue with that openness of mind which assumes it to be an unsettled question. The editor of one of these papers tells me point blank, "Personally, I have no doubt we are coming to city ownership, and ought to come to it."

The current literature in favor of extending the functions of the city has come to be so prolific that it is hard, even for the special student, to follow it. For some years I classified the articles upon this subject as they appeared in general magazine literature. A dozen years ago the task was light, but a year since, from sheer weariness at the amount of matter, the task was discontinued. In one of our largest libraries, the librarian, struggling with the difficulties of a new catalogue, told me "our greatest nuisance is the increasing mass of literature on social questions. Are people growing crazy on that subject?"

Capitalists, and the agents who act for them, are daily furnishing testimony to the same effect.

An able article in *Municipal Engineering*, by J. B. Cahoon, warns capitalists not to oppose state regulation. He fears and opposes city ownership, but says to his business friends: "There lie open to us two paths, municipal ownership or private ownership under state regulation. We certainly do not want municipal ownership, therefore let us prepare to accede gracefully to the other course; and not only that, but let us help it along. In that lies our salvation." He then adds, "I doubt if there are in this whole association a dozen members who realize fully the gravity of the present situation for the private ownership of public utilities." "The number of agitators that are crying municipal ownership of public utilities is constantly and rapidly increasing; they are attacking us in all parts of the country, even now, and the attack will be stronger and stronger as time goes on."¹

Views of Organized Labor

It is dangerous to report class opinions. "What labor thinks" has been the lying text of many a demagogue. There is no uniformity of conviction upon a single industrial topic among some twenty millions who work for wages in the United States. It is only in the case of labor organized that one may

¹ I am told by an official of a telephone company that the agitation for municipal ownership has developed so far that the company has quietly gathered from all sources every fragment of available evidence bearing on the problem. "We propose," he said, "to be better equipped than the cranks when the fight comes on."

speak with the least degree of assurance. Though this is but a small fraction, — perhaps one in fourteen or fifteen, — its weight in terms of opinion is far more important than is signified by numbers. This organized minority has scores of trade journals. It has a literature and extensive agencies for propaganda. It has a steady tendency to set the current of beliefs among a far larger number than that under the immediate control of the union. To treat these convictions, therefore, as of slight account is the kind of error for which no one seems to have so special a talent as the so-called practical man.

The new step taken by organized labor in this country during the last ten years is to learn the possibilities of political action. Twenty years ago those who guided the movement were afraid of politics, to-day they see in its skilful manœuvring a new hope and a new era.

The shrewdest trade-union leaders observed in the great strikes of 1892 and 1894 that the chances of favoring political influence (if the right moment for the strike were chosen) were full of promise. The brilliant victory of the strike of 1900, led by John Mitchell, and deliberately aided by the most influential man then in Congress, so confirmed this impression that the great labor struggles of the future will have a still closer and more calculated reference to politics. As this conscious alliance strengthens, it will become almost more dangerous to defeat the strike than to help it toward victory. Increasingly, too, the issues upon which strikes of the first magnitude will turn are issues that bring us face to face with the alternative of public control. The general interest

and attention are henceforth directed along socialistic lines, not by books, but by stirring events. The influence of this close relation upon trade-union convictions is already apparent.

The older trade-union faiths were oftener individualistic than collectivist. Year by year they have been modified, until it may be said that they will soon be, if they are not already, practically unanimous in demanding public control of the natural monopolies, — gas, electric light, street cars, as well as railroads, telegraph, and mines. If it is asked what has solidified their thought upon this subject, the answer is found in a wide and very bitter experience. I shall not claim that their ordeals have been undeserved. I shall not hold the unions guiltless of many special acts of intolerable behavior. The aim is now not to judge their conduct, but to know their opinions and the changes they have undergone.

Their views vary, step by step, as certain forms of machinery develop and react upon labor. As the iron takes its shape between hammer and anvil, labor organization has been made by the organization of machine industry. But for the introduction of these inventions, and the way in which they have been applied to industry, the laborer never would have submitted to the long and terrible sacrifices that organization has cost him. For the cities where the unions have won their strength, the most telling object lesson has been the mechanism of street transportation. This is the great machine of the city, as the railroad is for the country at large. For a quarter of a century the strikes upon street cars and railroads have brought home to the trade union the most

instructive lessons it has learned in this country. As this labor has thrown itself against semi-public corporations it has been made to see the hard limits beyond which mere unionism cannot go. It is thus with every defeated strike that one sees the employees turning with steadily growing conviction against private ownership and in favor of public, in the hope that favors can be forced from the public which the private corporation refuses.

Especially in its conflict with natural monopolies like street-car companies has labor learned its politics. In the heat of more than six hundred such strikes it has been taught how the powerful natural monopoly within the city is guarded by secret privileges won in the lobbies. It is in part the knowledge of this that so rouses the wide public sympathy which we have seen with the strikers in so many of our cities.

In Milwaukee, after the great strike, I found neither doubt nor hesitation that the angry popular suspicion of undue political influence was justified. The reigning political party had its roots deep in city affairs. Contracts were made to the direct end of strengthening this hold. The heat engendered by every such strike brings these facts to light. I was told by a citizen and stockholder, whose judgment was thought to have special value, that it was well the people knew so little. Their suspicions, he said, "are more than justified. I hate all talk about socialism, but this strike has taught me a lesson I never could have learned from books. This form of city monopoly, half private, half public, has got to be brought under thorough and consistent municipal direction. Whether

we should lease it out or own and manage it, I do not know, but we are near the end of all ownership that is not far more responsible to the public than anything we have known here." A leader among the workmen said, "Nothing that has ever happened has done so much to turn our men toward municipal socialism as this strike." There is scarcely a limit to the amount of testimony to be adduced from scores of cities in the United States. In an economic study which was pronounced "careful and judicious" by a committee of the American Economic Association,¹ the reader has a glimpse of the entire street-car problem in the United States. For magnitude of demoralization, the instance here given does not compare with some of the railroad corporations, but its narrowed area enables the investigator to report upon it with much closer accuracy. As this Cleveland machinery of transportation slowly consolidates, offering ever more glittering prizes to private ownership, the author tells us the result.

"It has brought together a combination of men whose commercial and political power is practically unlimited. Representing* as they do, with their associates, the managers of both party 'machines,' it makes little difference which party is in power, so far as gaining their ends is concerned. And this power extends beyond municipal into state matters as well. Legislatures as well as councils are made the tools of these corporations. The fifty-year franchise bill was almost as much a party measure as the election of the United States senator who championed

¹ "The Street Railway Problem in Cleveland," Macmillan, 1896. Especially pages 313, 315, 354.

it. The same forces which made him senator made this bill a law.

"When we approach the question of corruption in the award of franchises, it must be admitted that the system has thus far put an immense premium upon all sorts of jobbery and corruption. The street railway interest has been all-powerful in the control of political machines. It has not only secured, apparently for the mere asking, the most valuable privileges which the city council could bestow, but it has also escaped the performance of many obligations which the state has compelled the council to make a condition of its grants. It has prevented the enforcement of nearly every law which it has not cared to obey. And now it has an enormous inducement to corrupt a majority of the council in order to obtain the most valuable grant ever put into the hands of that body to bestow. All this it has been enabled and encouraged to do under the present system, which offers to unscrupulous men both the motive and the power to corrupt the city government."

With tiresome uniformity this is the story of other cities. No body of citizens has shown a readier wit to discover these facts than the trade unions. Their journals show how early they were to appreciate the drift of events and to understand their bearing upon labor interests. With every new object lesson of successful or defeated strike, this group opinion has grown more confident and more definite; that monopolized machinery of city transportation, lighting, and telephone should be taken over by the public authorities. Twenty years ago opinion was formless and hesitating, to-day it is clear and decisive.

The Farmers

As in the case of the industrial laborer, we have to consider on the agricultural field only those among the farmers who have established organizations. We have even to omit certain granges whose purpose is almost exclusively social and agricultural. Much amazement is expressed at the massing of great capitals, but if difficulties are taken into account, it is perhaps no more an object of surprise than that millions of farmers, since 1867, should have organized to such extent for what they believe to be their own defence. They were bound together neither by common tradition nor common politics. Their resources were scanty and they were separated by wide geographical distances. The real beginnings are soon after the Civil War, when invention, as applied to industry, was organized for the first time in our history upon a great scale. As if by some impulse common to them all, business, trade unions, railroads, farmers, and even charities are caught by this new spirit of organization. Only two years after the close of the war the "Patrons of Husbandry" was founded. This order began with the vaguest statement as to aims, such as "industrial benefits and the social improvement of its members." Vigorous efforts were made, as with the earlier trade unions, to exclude all discussion of politics. This nervous solicitude to eschew politics is full of significance. Protesting never so loudly that they will shun politics, they have year by year yielded more to its claims.

The deepest purpose in most great movements comes tardily to consciousness and is openly admitted

with extreme reluctance. Early in the Reformation, Luther is vehement in asserting, "I will do nothing against his Holiness, the Pope." Lincoln was sincere in repeating that "he has no purpose, directly or indirectly, to interfere with the institution of slavery in the states where it exists," that he has "no lawful right to do so." Yet the movement behind both these strong men drove them to eat their own words. In the first decade of the farmers' agitation there is much honest and well-meant horror of questioning the infallibility of party politics. The discontents that gathered about the crisis of 1873 raised the number of grangers to thirty thousand in 1875. Then come internal jealousies, the inevitable conflict of discordant aims, and the "dangerous effects of prosperity." The strength of this organization as an influence continued hardly more than ten years. Reviewing its history in 1891, leaders justified their work by pointing to its influence in lessening the patent-monopoly of sewing machines, "thus saving," as they say, "millions to the people annually"; in directing a successful agitation against transportation companies by helping on the interstate commerce law, etc. They have also much to say about oleomargarine, agricultural stations, and arbor days. But chiefly to be noticed is the unmistakable beginning of opposition to the forms of monopolized machinery that concerns the farmer's life. In 1880, a larger organization takes the field in the South, the Farmers' Alliance. This soon adopts six ethical and educational generalities, in the first of which "a strictly non-partisan spirit" is taken. It gradually federates with other farmers' organizations, until a

"union platform" is adopted, including the aims of the northern and western associations, as well as those of the Knights of Labor. Politics now becomes a conscious purpose, and a new and bolder position is taken toward the currency and methods of exchange and transportation. The National Farmers' Alliance in the Middle West had, as early as 1877, brought politics and "anti-monopolies" to the front. At the Cincinnati convention in 1891 the full spirit of the peoples party, with its political and economic ideals, takes shape. The evils to be overcome are now far more definite. Landownership by foreign syndicates is opposed; lands that have been taken by railroads and other corporations, in excess of actual working necessities, are to be reclaimed by government; railroads and telegraphs are to be taken over and operated by the state.

When it was said to the farmer, "Your produce would rot in the field if it were not for the railroad and this same money power," the usual answer was, "We farmers understand our interests well enough to know that, but we also know that it is only half of the truth." From 1867 to the present, the conviction has deepened that "some way must be found in which these mighty agencies can be used more equitably for the public good and less exclusively for fattening the few." The whole movement is created by this feeling.

The mere text of these programmes is, of course, not sufficient to tell us what the most tenacious purpose of the party is. Platforms are padded like those of the republican and democratic parties. Beyond the printed rhetoric is the real aim of the stronger spirits

that cannot wholly display itself. During the campaign of 1897 in Chicago, I asked three of the most influential men then crying for free silver, if "16 to 1" represented the most fundamental changes which they desired. It appeared in each case that the "grip of the money power" was the deeper problem. One, whose writings had done much to inspire the party, assured me that the actual issue was of course important, but he added, "the evil that we are after is that connected with the great monopolies." The leader of this movement in Massachusetts says, "Practical reasons forced us to bring the silver issue to the front, but the great interest which unites us all is the dangerous business and political influence which the money power has at last got in this country."

Here is the misfortune of this much-bewildered party, that its grievances have such heterogeneous character and are so difficult to formulate. The stupendous organization of industrial and scientific invention is now under the control of the strong and successful. A thousand privileges, political and legal, protect them in their possessions. The laws of inheritance multiply every advantage. Many of our strongest papers are at the disposition of these interests, often, indeed, their private property, and legislatures and city councils are frequently moulded to their wish. What can the invertebrate multitude, torn by many conflicting interests, do before a power so formidable? Thus far it cannot even state its own case. This it is which gives a merciless advantage to every critic of the peoples party. The very term "money power" has become a cant well-nigh intolerable. There is scarcely a severer test to fair-

ness than that to which the student must submit, as he passes judgment upon the thirty years' history of the farmers' agitation. To hold it to the mere letter of its complaint is unjust.

The most frequent critical judgment is that the one thing all populists are after is fiat money. This craze is said to be the one thing that unites them. There is much truth in this, but it requires a most important qualification. Views upon the currency alone do not test this movement. A fairer reading of populist opinion shows that money is conceived of as an interlinked part of our commercial mechanism. It is thought of as a medium through which this mechanism is vitalized. The instinct which seeks to change the monetary system is the same instinct which seeks more power over the railroad, the bank, the stock exchange, the telegraph, and the grain elevator.

To see the movement as one against the too exclusive use of this industrial machinery, is to see it in a light that helps us interpret it, without violence to what is deepest and most permanent in it. The social question is forever an attack upon what, in some form, is thought to be unfair privilege. Economic privilege is now an inseparable part of the machinery of modern production and distribution. The farmer attacks railroads because they touch him at so visible and sensitive a point. He strikes wildly at "futures" on the stock exchange, at our banking system, at the "single standard," because these are to him the express tokens of industrial privilege. It is this ultimate and determining impulse which enables us to give this agitation its proper name.

Stripped of its padding and accidents, it is a socialist propaganda.

During eight yearly visits through Western towns, covering a period of hard times and a period of exceptionally good times, I tried to gather evidence upon this question. There are two extreme conditions to be kept in mind. There are first, vast fertile areas on which the farmer is as prosperous and contented as any class with which it is fair to compare him. There are other wide areas, like parts of Kansas and Nebraska, in which capricious climate accounts chiefly for the chronic ills under which the farmers suffer. Between these extremes is found a very large class whose discontent is real and whose feeling, year by year, grows more socialistic. I tried in each community to find out the farmer whose opinion upon such subjects was thought to be of value. A fair summary of this testimony can be put into the experience of a prosperous farmer whose intelligence had general recognition in his city. I give this, as nearly word for word, as note-book memoranda permit. It is stated at length, because the illustration is believed to carry more truth than any mere analysis or general discussion.

"For seventeen years I lived on a farm out of town. For nine years I have lived in the city and rented my farm. I have got ahead a little, as three-fourths of the farmers I know have done, if they have worked hard and intelligently. If I had not read two books, Henry George, in the early eighties, and later Bellamy, I should have grubbed along and never thought anything was wrong. Those books set me thinking how the things we grow and make

are divided up. I have read ever since, and gone to a good many lectures; but what influenced me most was watching and finding out how a few men got very rich, and a large number amassed fortunes here in town, by owning and running the street cars. They were, many of them, high up in politics, and got the streets for nothing, and then from year to year bought up the most valuable pieces of land in the city, because they knew where they were going to put down the tracks. I was in a position to know how the fat contracts — building, paving, etc. — were put out so as to strengthen political control, which these men needed. I have seen a contractor grow wealthy in ten years, solely because he could manage politics in one section of the city. The corporation bought him in this way. No man can get on to the city council if those men do not want him there. The town has grown rapidly, and these men with their friends have got all the cream while we've got the skim milk. A man can't die on skim milk, but you don't like to see a few at a side table take all the cream. They tell us they have done big things for the city. I admit it is true, but we have all found out here how the clique got a great deal more out of it than they ought to get, and the rest of the town too little. At the start nobody knew what was being given away in parting with the franchises. The people are finding out their mistake, and they never will be quiet till they have got them again. Now, when I understood that problem in my town, I began to reason about the railroad and telegraph system in the whole country. If a few men could get the cream in this town, it was easy to see how the Goulds

and the Huntingtons could do it in a much bigger field.

"I don't doubt they have helped the country in some ways, just as the street cars have helped this town, but in both cases they have got the cream and the people the skim milk. Now, nothing will make me believe that there isn't some way of doing this business — that is as much public business as it is private — so that the people shall get fairer treatment. It is thinking about these things that made me join first the local alliance and, later, the peoples party, because they are trying to do with the railroads and certain other monopolies what we in this town propose to do with the street cars and the electric light."

I submit this case as fairly representative, enabling us so far to account for the suspicion and restlessness that make this phase of the social question. It is, of course, legitimate to challenge his remedy of public ownership. We cannot deny a certain justification to his sense of wrong. As he felt it, millions of others have come, or are coming, to feel it.

The *form* in which the farmer has stated his grievance has often been so muddled that any economic tyro could make easy jest of it. When the Irish farmers began to agitate against landlords' rent, it was just as easy to make those agitators appear very absurd. All the economic commonplaces were turned against them by the "highest authorities," as well as by smart writers in the daily press.

As we now look upon these events it is clear that those Irish farmers were far nearer right than their patronizing opponents. The farmer was paying an amount of tribute that the land could no longer

afford, and a whole body of the most socialistic legislation in modern times was grudgingly enacted.

The heart of the protest among our own farmers may in time look far more intelligent than the glib complacencies which the "articulate classes" level against them. As the blade of economic rent cut too far into the loaf of the Irish farmer, it may prove that the close organization of railroad, tide-water facilities, the stock exchange, and the great banking filches too freely from the farmers' earnings.

The present alliance of these business interests is the most powerful industrial machine that the world has seen. It is a mechanism that gathers to itself every triumph of science and invention. Will the financial kings, whose colossal ownership enables them to control and direct this enginery, use it so that its benefits become uniformly apparent to the farming class? It is not enough that the farmer is kept loyal merely through the "curve of prosperity," his confidence must have sustaining enough to keep his loyalty through curves of depression. The farmers cannot be made to believe that the unhappy zig-zag between fatness and leanness is wholly due to fickle skies and occasional bad crops. They know enough about the fatal rhythm of the crisis and its connection with gambling distempers in the market, to protect them against so naive an exposition. They guess as giddily at the real source of crises as many of the men who write books upon that subject. The farmer may nevertheless be right in attributing one leading cause of these disturbances to the way in which these great commercial forces are used.

That the canting use of the term "money power"

has become an offence, ought not to cozen us into the belief that the term has no serious meaning. The centralizing of banking and transportation with many of the first and most necessary industries is an event so momentous that the ablest men differ utterly in their interpretation of it. Is this money power, as now directed by private interest, a social menace?

I have put this question to many men of very large experience. Most frequently the answers are optimistic, but there are no more competent witnesses in this country than a large number of men who look upon this same "money power" with the gravest misgivings. They will state these doubts more freely in private, not necessarily from cowardice, but from honest intellectual perplexity before the practical difficulties which the question involves.

I can condense these misgivings in the opinions of two lawyers with princely incomes from corporation practice. Both have university training and have written books. They agreed that the next great issue in this country was likely to be with the money power, defined as an alliance of the great banking with vast businesses which have, or can be given, the character of monopolies.

I showed these opinions to two men, a banker and a trust organizer. One has a national reputation, the other is frequently quoted in conservative discussions of finance. Both are republicans and very prosperous. I do no injustice to their views in saying that they were still more pronounced in their fears that centralizing financial control is a distinct social danger.

The banker said: "No such power ever fell into human hands as that which some twenty-five men now hold. I do not believe they mean to abuse it, but I do not see how they can continue to control it so that it shall not get us into both business and political difficulties."

The trust organizer said, "The next thing that will be recognized, even by conservative men, is the tyranny in this country of this money power."

I do not put upon this testimony any very ominous interpretation. It may prove that the interests of these captains of industry will coincide with the common good. My object in quoting the above views is to show that at bottom these men agree with what is the core of the farmers' discontent.

It would be fantastic to say that the farmers mean what these lawyers and the bank president meant. The latter expressed reasoned opinions, based upon long and detailed experience with financial affairs. They may be said to see as far as any one sees into the problem of commercial organization. They have at least some conception of the obscure relations in which banking, transportation, and certain great industries stand to each other. Far less of this is understood by the farmer. His error has been expressed in such ways as to cast suspicion or contempt upon the party as a whole. The injustice of this against the peoples party is flagrant. Beneath all errors of conscious explanation may still be found an instinct that is sound and right. Skilful dialectic and literary good form may as easily win a bad case, as ignorant handling may lose a good one. From this cause the farmers' movement has suffered. Its most

strident emphasis has too often been upon the wrong issue. Many of its most hopeful proposals have been obscured by irrelevancies, or so stated as to carry no conviction.

What any fair critic may already see behind the faulty presentation of populism, is that the moving purpose of it is closely akin to that just considered under "General Opinion" and under "Trade Unions." If carefully studied, the doubts and suspicions of the populist are seen to be strangely like the doubts and suspicions of the two lawyers and the bank president. The ignorant and the less ignorant agree that the "money power" is full of threatening. Both agree that some form and measure of strong government or state control will be a necessity of the future. They agree that these gathered forces have grown too powerful to be left unregulated in private hands. The farmer's feeling about this is no less justified because he cannot give rational account of it. The banker and lawyer could state more cogently what they meant by the "money power," yet, if there were any truth in their opinions, it is not at bottom truer than the feeling of the populist.

As with general opinion, as with the opinion of the trade union, so the feeling of discontent in this farmers' movement is one against monopoly privilege. It is being found out what the heart of this privilege is. It inheres in certain forms of property ownership. It is the holding in such unrestricted private possession the very conditions and instruments of wealth production.

To gain mastery over the very titbits of the earth, in harbors, cities, highways, and mines, and then to

own *enough* of the great machinery of transportation and production to decide the conditions under which others shall do their work — this is the power against which a dangerously large number of people is crying out. They do not see how power, in this degree and kind, can continue to grow, without abandoning every hope of a society in which equal privilege shall at last reign among men.

The economic significance of the social question is this deepening purpose to break the hold upon monopoly privilege, as above defined. Rightly or wrongly it has come to be believed, by numbers great enough to become a social and political force, that the most vital landholdings and the great machinery are not now used for the greatest common good.

Yet the purely business elements are probably not first in this rising tide of disapproval. There is a growing conviction that private ownership may gather to itself such strength and mastery as to control politics and defeat the very beginnings of democratic government.

It has thus come to pass that the seeds of political abuse which capitalism itself planted are bearing fruit. Socialism and organized labor, imbued with the collectivist spirit, have learned their lesson. There is in future no divorcing of the greater labor disturbances from politics.

CHAPTER V

THE INEVITABLENESS OF THE SOCIAL QUESTION

A VETERAN in the trade-union movement of Massachusetts said at a dinner of the Twentieth Century Club: "We have not got very far in understanding the social question until we rise out of the atmosphere of personal blaming. A man who thinks it is all the fault of this or that capitalist, has not got very far. Our real trouble is not with specific rich men, but with the general system which makes possible the man of one hundred millions on one side, and a mass of laborers struggling for the means of subsistence on the other. It is not primarily the fault of the magnates; it is the fault of all of us who consent to the conditions out of which these dangerous extremes spring up."

A member of the London County Council, making investigations in the United States, heard these words, and added: "I have been interviewing your business men ever since I landed, but not once have I heard so impersonal a judgment. I have found the pick of your labor leaders far better instructed upon all sides of the labor controversy than business men. The business man is cocksure about the trouble. It is the labor agitator. If only he could be suppressed, all would be well." His explanation was that men of affairs were too busy to read. They were simply vexed

by strikes and by trade-union interference, and out of this immediate experience made their philosophy.

This is a very insufficient analysis. These large and impersonal views are exceptions upon both sides, but they are as frequently met among business men as among those who represent labor. The perpetual astonishment of the student is, however, that business men know so little of those organs of opinion into which the wage earner puts his most earnest and most honest thought. It is droll that one should have to make this comment, but I have never yet seen an employer who had given the least serious attention to this literature. I have known a manufacturer of machinery who had been through repeated conflicts with his men over questions raised by the union. He did not treat these disturbances as mere perversity. He had read much general labor literature and showed some pride in admitting that "great changes were certain to occur between labor and capital during the next generation." Yet among the men in his own business, a trade journal had been printed month by month for several years. In the successive issues, every point of difference between his own views and those of his men had been repeatedly discussed. All that his men hoped for and were trying to attain, was here set down, yet this employer had never thought it worth his while to read a line of it. His intellectual curiosity led him to much study of popular sociological books, but schemes for improvements fermenting in the minds of his own workers had interested him so little that in his own words, "It never occurred to me that there was anything worth reading in the journal of these mechanics."

I have known intelligent builders and scholarly architects who had long fought trade unions among their own workmen and yet had never even heard of the trade journals in these crafts. These have contained for many years the opinions of these workers upon every issue that enters into their relation to the employers. Cigar makers and garment workers are thought to rank lower in the scale, yet no one can look through a batch of their trade organs without a wholly new conception of the movements there represented. As religious bodies, political parties, and business interests have their own press for propaganda, so that part of the labor world, from which the chief industrial resistance comes, has created an extensive periodical literature far abler than is commonly believed. In this literature they discuss not only the conditions under which they work, — hours, wages, machinery, strikes, trade unions, — they also discuss every phase of the competitive régime under which the industrial struggle for existence goes on. From his employers and those who think with them, the workman hears the defence of this competitive struggle. He is told that under it men find their place according to their merit. "Talent and efficiency get their reward, mediocrity sinks to its proper level." He is told that in all wealth-making three factors are essential, land, labor, and capital, or, by more recent refinement, "natural opportunity, labor, and directing intelligence." Each, according to the service it renders, receives its portion of the product: land its rent, labor its wage, and organizing management its profits. He is assured that this triune relation has something of the sanctity of a divine decree, or at least the authority

of a natural law. Given a reign of "free contract," and a proper regard for competition, and industrially the best possible world is at hand, especially for the wage earner. The forces of distribution give him an ever increasing part of the product, while capital secures a relatively diminishing portion. This is the cheerful formula.

Meantime the victim of this instruction is busy with his own observations. He notes that the capitalist class enlarges its expenditure at a quite dizzying pace. The home, the equipage, the club, the sports and recreation, expand each year into more lavish and prodigal form. It is very apparent that dollar for dollar the interest on capital has fallen from a high to a low figure. It is apparent that dollar for dollar profits have in the majority of businesses also fallen, but the belestured wage earner sees that this jocund formula is modified not a little by the simple fact that the capitalist, during this fall in profits and interest, may somehow have doubled and redoubled his thrifty gains. If one possess four or five times more capital, his income swells though the rate of interest and profit falls. The laborer is not, however, left alone with his doubts. The world is full of very wise people, who tell him with great frankness that labor does not in any sense get its fair share. They tell him that through the manipulating of a thousand chartered privileges, labor is defrauded of a formidable portion of its product. There are no abler economists than dozens who make this declaration.

As for the competitive wage system with its "free contract," a troop of eminent men denounce it in

unmeasured terms. They denounce it economically, because of its wastefulness through unnecessary duplication of rival plants, with the orgy of advertising which this rivalry occasions. They denounce it morally with even more confident disapproval. They see in it the teeming source of the self-seeking which delights to take every advantage of another's weakness or ignorance, to "best" him in the bargain. They see in it the chief stimulator of the universal hunger for quick riches which spreads among us the methods and the spirit of the gambler. They charge it with setting such a premium upon mere sharpness and cunning that this type of success becomes the attractive idol for general worship.

It is easy to convict these charges of exaggeration in the sense that they ignore the positive and serviceable side of competition. It is not easy to deny that they carry with them a disquieting truth. It is upon this, and not upon the shaded qualifications, that the disaffected workmen seize. The speculative portions of the labor press have become the receptacle of the most accusing criticism against the business world as now managed—a criticism drawn not from the ranks of labor, but from the ranks of those who possess as much enlightenment as modern culture and opportunity usually give.

Few events during recent years have more significance than the growing popular sympathy with labor unions in these struggles, especially their struggles with semi-public corporations. This sympathy has had an almost universal expression in the recent anthracite coal strike. But for the unhappy fatalities of personal violence that break out in the later despair-

ing days of the strike, this public sympathy would become irresistible. The wholesome popular instinct for law and order is swift to react against any excess of ruffianly attack upon persons and property. The strike breaks when this deviltry becomes unmanageable. At this point every strong current of general sympathy deserts the strikers. Even for them it is better that it should be so, for to win by lawlessness would bring weakness and not strength to labor.

This fact carries in it, however, tragedy and pathos alike. Labor leaders have learned that they cannot and ought not to succeed by personal savagery against property or persons. I have never heard more honest and passionate pleading for law and order than from trade-union officials addressing their own men in time of strike. At such a moment John Mitchell said to his miners: "If you want to spoil your own cause and lose every sacrifice you have made for yourselves and your families, give way to your temper and commit some violence. Just a few outbreaks like this and the public good-will, to which we must look in last resort, will fail us and we shall deserve to lose it." These words were not spoken for outside use, but to his own men in council. Nor are they exceptional among the more disciplined leaders in this country. Yet what, meantime, do these leaders and their fellows also know? They know that many of these corporations against which their fight is carried on have been more dangerously lawless than can be any crude act which their own members are likely to commit. They know this because scores of the best-known men in the United States have told them so. They have read it in half the

great papers, in books, in economic studies, and hundreds of times have laid these opinions before their members in the labor press. Dr. Gladden, lecturing this year before Yale students, speaks in these words of the partnership between the politician and the consenting managers of certain corporations:¹—

“There is no man in any prison in this country who has done a hundredth part as much to make society impossible as has been done by any one of half a dozen great political leaders. The man who by the corrupt use of money manipulates caucuses and conventions, and debauches candidates and voters, thus poisoning at their sources the streams of political power, is the most dangerous man in society to-day, albeit his guilt is shared by those managers of great corporations who furnish him with corruption funds. If our notions of justice were clearer, such men would not be abroad in society. Compared with the destructive influence of such men, how harmless are most of the criminals shut up in our prisons.”

Which is worse, to slug a fellow-workman or to purchase some immunity for a corporation by paying large sums to the local political “boss,” knowing well what this means for lawless and debasing effect at the very heart of our political life? This is but a single form that this corporate lawlessness takes on, and it would be very inane to infer that this greater wrong justifies the lesser wrong of the trade union. The two wrongs are brought together to show the kind of bitterness which thousands of the trade unionists are coming to feel when they are held so rigidly to law and order, while these greater fellow-criminals escape.

¹ “Social Salvation,” p. 105.

Another form of unfairness that is still less excusable is the popular explanation of the cause and continuance of many labor troubles. We are gravely assured that it is the "labor agitator" — the "walking-delegate." In half the papers of the country this sorry illusion gets repeated from year to year, until it is believed.

I met a little girl much agitated, in Pullman, after the great strike there. I asked her what the strike was about. She answered, "Oh, the workmen wanted to have their rents put up, and Mr. Pullman wouldn't do it." There is nothing funnier in this child's exposition than in that generalization under which the walking-delegate is naively written down as the cause of strikes. For trade unionism at large in the United States, the walking-delegate represents the opinion and will of his union more closely than most congressmen represent the opinion and will of their constituents.

We are sufficiently reminded that our best men will not go into the smaller politics. It is at least as true that the best labor men do not always get prominent positions in the unions, and essentially for the same reason. The kind of gift that is indispensable — fluent speech, for example — to active, stirring leadership is oftener found among men of lighter weight. On the other hand, there are no cooler or steadier heads in the labor movement than many of those who now control the unions in this country.

But the ends of capitalistic politics are in no way more admirably served, than by fixing the cause of these wasteful and annoying troubles definitely upon obnoxious individuals. During one of our severest

coal strikes, in which the public showed much sympathy with the miners, an editorial appeared in one of our best papers, saying that the causes were very obscure, that more light was needed for fair judgment. I showed this to an operator in the thick of the fight, urging that the public have a fuller account of the issues in dispute. He replied that there were no issues, "It's all the work of two or three labor fakirs who want to live off our men." "What makes me mad," he added, "is that I saw the manager of that paper and gave him the facts, and now the damned fool must talk about obscure causes and the need of light."

The leisure of a few evenings spent with the files of a dozen of our better labor papers will leave no doubt in the mind of any candid reader that all these unfair strictures against the unions produce most regrettable effects. They are interpreted to mean that the critics of the labor movement are wilfully ignorant of its chief purposes, or deliberately malicious in characterizing its efforts.

The labor movement rests on the assumption that the production and distribution of wealth, as now managed, ought to be and can be so far changed, as to give the laborer more power in deciding the terms under which he works. It is because increasing numbers of the wage earners are becoming convinced upon this point that society is afflicted with an almost unbroken series of costly labor disputes. This warfare excites caustic comments from the well-to-do, as if it were the deliberate perversity of churlish men.

Yet in a long and embittered strike no one bears so

heavy a burden as the striker and his family. There is no more poignant tragedy than the freely accepted suffering which thousands of fathers and mothers will undergo during the wasting months of a strike. With children to feed, these parents know all that it means to have every cent of income stopped for an indefinite future. They know that the little luxuries must disappear, that the petty saving must be quickly spent, and a plague of debts at once begin. They know all this, not as a curious observation, but as grievous human experience. They know it, and yet freely choose to suffer every sacrifice that the event carries with it.

We are told by their critics that they would not commit such follies but for the exercise of tyranny and compulsion. Yes, the trade union exercises the tyranny and compulsion of a majority vote as we do generally in our form of government. The other sagacious charge, that they are duped into the hardships of a strike by their own officials, is generally so far from the fact that the officials know better than all others that their own pay is likely to stop in a prolonged dispute, and if it fail, their prestige is at an end. It is the clear knowledge of this fact which leads trade-union officials every year to check hundreds of strikes, of which the public knows nothing. What is brought to the public ear is the most flagrant abuses of trade-union activity. Especially in cities that are politically corrupt, trade-union officials too often take on the local color. They know and practise every trick from which the common municipal life suffers.

The dishonest trade-union official, the mere talker, the fakir proper—these are all a part of the heavy

burden that organized labor has to bear. It knows these men better than the public knows them, knows their weaknesses often better than the employer knows them. I once thought myself doing a service to a trade union, by telling some trustworthy members that their leader was in the pay of an association of employers. They had bought him for the purpose of "keeping the union quiet." I found that the strong men in the union were perfectly familiar with the fact, but it was more than three years before they could rid themselves of this man.

The "cause" yet means so much to them that hard-worked men with meagre income will give time and strength and money, not spasmodically, but year after year, in order that their group welfare may not suffer. The sacrifices are great, and they are unremitting. The common fund which it has required years to gather, is swept away in the strike of a few weeks. Money that is destined for burial or sick benefit often goes with the rest.

Do multitudes of men continue to load themselves with these heavy encumbrances, except for reasons that in their minds bear some relation to the sacrifices involved? The struggle is as widespread as it is persistent. Without exception this struggle assumes that the present competitive wage system does not bring justice to labor. The revolt of the strike, the friction, the angry pressure of organized labor, stand for a protest against this system. The mass of labor disturbances is the measure of dissatisfaction with it.

Now it happens that our society is full of extremely influential persons who say point-blank that labor's

protest is in the main a righteous one that should prevail. This sympathetic assent adds, year by year, new power to the labor and socialistic movement. The workman no longer reads in his own papers merely the opinions of his mates, he reads there the opinions of so many of the world's intellectual leaders, that he naturally comes to believe that the highest and most disinterested talent is on his side in the struggle.¹

My attention was first called to the real character of this influence by the use to which German labor papers put many of the leading writers in that country. The philosopher F. A. Lange wrote his epoch-making book on the labor question in the days when social democracy in Germany was in the first ferment of political organization. The moral weakness of the competitive system, the nature of the industrial struggle for existence, the defeat of higher ideal values in this scramble for private gain, never at that time had been told with such searching power as by this noble scholar. German workingmen were among the first to welcome it. They lectured upon it, wrote about it, and reproduced it in their literature. "Here, at last," they said, "is a university teacher in great vogue, who understands what our struggle means and has the courage to utter it."

From this volume ("Die Arbeiter Frage") the more thoughtful socialists were led to Professor Lange's greater work, "The History of Materialism," in which they found a mine of critical material. The disci-

¹ The mass of laborers even in trade unions are not habitual readers, but these thoughts in the speeches of their fellows or in conversation with those who do read, become a part of their life.

plined interest which Lange always took in economic studies, heightens his value for their uses. This more academic study also bristles with barbed paragraphs against the present industrial régime. In the chapter on "Political Economy and Dogmatic Egoism" the author analyzes the prevailing apologies for the struggle for existence as it appears in modern business. He finds in it a deification of self-interest that stands in deadly enmity with ethical idealism.

He says: "We may show a hundred times that with the success of speculation and great capitalists the position of everybody else, step by step, improves; but so long as it is true that with every step of this improvement the difference in the position of individuals and in the means for further advancement also grows, so long will each step of this movement lead toward a turning-point where the wealth and power of individuals break down all the barriers of law and morals, and a degraded proletariat serves as a football to the passions of the few, until at last everything ends in a social earthquake which swallows up the artificial edifice of one-sided and selfish interests. . . . The state becomes venal. The hopelessly poor will just as easily hate the law as the over-rich despise it. Sparta perished when the whole land of the country belonged to a hundred families; Rome when a proletariat of millions stood opposed to a few thousands of proprietors, whose resources were so enormous that Crassus considered no one rich who could not maintain an army at his own expense. . . . In mediæval Italy also popular freedom was lost through a moneyed oligarchy and a

proletariat. . . . It is characteristic that in Florence the richest banker finally became an unlimited despot, and that contemporaneously in Genoa the Bank of St. George in a measure absorbed the state. "

He opens his chapter on Christianity and Enlightenment in these words: "The present state of things has been frequently compared with that of the ancient world before its dissolution, and it cannot be denied that significant analogies present themselves. We have the immoderate growth of riches, we have the proletariat, we have the decay of morals and religion; the present forms of government all have their existence threatened, and the belief in a coming general and mighty revolution is widely spread and deeply rooted."

As the name of the musician Wagner rose in distinction, the socialist did not forget to rifle his "Kunst und die Revolution" for comforting opinions. "Art and the Revolution" is one fierce anathema. That the laborers should rise against commercialism is the one sign to this "poet-musician" that they have self-respect and intelligence. "This hatred," he says, "springs from a noble instinct for a dignified joy in life; from the passion to rise from drudgery to art, from slavery to free humanity." It is passages like these that gave Wagner the title, "The Karl Marx of poetry and music."

From the weighty books of Dr. Schaeffle they took very early such utterances as these: "The unlimited sway of capitalism offers a widespread and fruitful field for the growth of immoral instincts," "The factory system has come with its merciless exploitation of wage labor."

During a later visit to Germany, I came to know a socialist workingman with whom I often argued about the rights and wrongs of the "present system." When the discussion once turned upon a question of authority and opinion, he took from his desk a scrap-book filled with clippings from German labor papers. These were passages condemning the industrial system as it now exists. With every degree of vehemence, the writers declared that labor was unjustly treated; that the wage system had much in it common with slavery; that capitalism was full of intolerable tyrannies. I do not say these opinions were either wise or true. I use them to show how surely they brought this mechanic to feel that his own views were justified, and had the approval of the masters of thought. His authorities were not merely the mordant cynicism of Heine or the rhymed hatred of Freiligrath. He had the censure he wanted from half the German economists. He had made excerpts from the first of German historians, like the following from Mommsen.

"Riches and misery in close league drove the Italians out of Italy and filled the peninsula partly with swarms of slaves, partly with awful silence. It is a terrible picture, but not one peculiar to Italy; whenever the government of capitalists in a slave state has fully developed itself, it has desolated God's fair world in the same way. . . . All the arrant sins that capital has been guilty of against nation and civilization in the modern world remain as far inferior to the abomination of the ancient capitalist states as the free man, be he ever so poor, remains superior to the slave; and not until the dragon seed

of North America ripens will the world have again similar fruits to reap."¹

He had cut out the views of Tolstoi, of Ibsen, of Ruskin, of Carlyle. He turned upon me in triumph, saying: "If it is a question of opinion about our cursed society, all the men who think great thoughts, and dare to utter them, are with us. They all call it rotten, they despise capitalism, the politicians, and the lawyers that are its hirelings."

Few will be so unfair as to deny that this artisan got his impressions as honestly as impressions come to most of us. It will be admitted that his feelings were stoutly reënforced by the conviction that these men of learning were on his side. He was not likely to make nice discrimination as to the relation of these extracts to the author's completer thought. This discrimination is rare even among the educated. The poets, thinkers, scholars, clothed this saw-filer's rougher thought in the purple of their own distinction. They brought to him the mysterious sanction of those whom we all recognize as teachers. What he and his kind could only feel or poorly utter, they gave back to him in splendid or rugged phrases that redoubled their force and made them sacred to his imagination. If, then, this incident be multiplied million-fold, we get new insight into one source of unrest with the present social order.

My experience with this German workingman led

¹ This man was proud of having learned French enough to read Victor Hugo. He had taken from "Les Misérables" these radical words, "Universaliser la propriété (ce qui est le contraire de l'abolir) en supprimant le parasitisme social, c'est à dire, arriver à ce but: tout homme propriétaire et aucun homme maître, voilà pour moi la véritable économie sociale et politique."

me to collect several hundred copies of European labor journals, popular pamphlets, and leaflets. They present a kind of anthology filled with telling quotations against the economic organization of society. A corresponding collection of our own labor literature in 1890 showed less systematic use of such criticisms, but this difference has now wholly disappeared. Even our more special trade organs are not less alert to welcome imposing authorities. Emerson, as in the following passage, is put to constant use: "As long as our civilization is one of property, of fences, of exclusiveness, it will be mocked by delusions. Our riches will leave us sick, there will be bitterness in our laughter, and our wine will burn our mouth. Only that good profits which we can taste with all doors open and which serves all men" Matthew Arnold's famous phrase does perpetual service, "Our present social inequality materializes the upper class, vulgarizes the middle class, and brutalizes the lower class." Even from the elder Arnold, I find these drastic words gleefully quoted: "It seems to me that people are not aware of the monstrous state of society, absolutely without a parallel in the history of the world, with a population poor, miserable, and degraded in body and mind, as if they were slaves, and yet called freemen. And the hopes entertained by many, of the effects to be wrought by new churches and schools, while the social evils of their conditions are left uncorrected, appear to me utterly wild."¹

¹ I first saw in a French socialist paper this passage from that delightful writer, Professor Secrétan: —

"La prolongation du régime actuel est impossible. Pour s'en convaincre, il suffit de mettre en présence quelques-uns des éléments qui le

To say that four of Ruskin's volumes have been many times reprinted in labor journals is hardly too strong a statement. The following is a favorite passage, "To call the confused wreck of social order and life brought about by malicious collision and competition an arrangement of Providence, is quite one of the most insolent and wicked ways in which it is possible to take the name of God in vain."

The more recent developments of economic literature have put terrible weapons into the hands of the discontented. Thorold Rogers, former Oxford economist and a politician of large experience, tells the "dispossessed classes" why written political economy has been so solicitous to defend the vested rights of actual society. His two volumes of published lectures furnish twenty instances like the following: "In a vague way they (the laborers) are under the impression that the greater part of the misery which they see is the direct product of the laws, enacted and maintained in the interest of particular classes. *And on the whole they are in the right.*"¹

This passage from the economist Professor Smart of Glasgow furnishes food for very pungent comments in a labor paper:—

"But when machinery is replacing man and doing the heavy work of industry, it is time to get rid of

constituent: les produits du travail dévolus exclusivement à l'entrepreneur capitaliste, l'immense majorité des ouvriers dépourvus de toute garantie d'existence, de toute sécurité pour l'avenir, vivant au jour le jour d'un salaire juste suffisant pour ne pas mourir de faim; puis en face de ce contraste économique, le suffrage universel chargé d'en assurer l'observation, enfin le salariat condamné dans la conscience des salariés, et la guerre sociale en permanence." (Charles Secrétan: *La Civilisation et la Croyance*.)

¹ The italics are my own.

that ancient prejudice that man must work ten hours a day to keep the world up to the level of the comfort it has attained. Possibly, if we clear our minds of cant, we may see that the reason why we still wish the laborer to work ten hours a day is that we, the comfortable classes, may go on receiving the lion's share of the wealth these machines, iron and human, are turning out."

Professor Cairnes has a great name among economists for ability and for caution. What, then, are thoughtful workingmen to think of words like these from his "Leading Principles"? I have seen them quoted three times in labor papers.¹

"Unequal as is the distribution of wealth already in this country, the tendency of industrial progress — on the supposition that the present separation between industrial classes is maintained — is toward an inequality greater still. The rich will be growing richer; and the poor, at least relatively, poorer. It seems to me, apart altogether from the question of the laborer's interest, that these are not conditions which furnish a solid basis for a progressive social state; but, having regard to that interest, I think the considerations adduced show that the first and indispensable step toward any serious amendment of the laborer's lot is that he should be, in one way or other, lifted out of the groove in which he at present works, and placed in a position compatible with his becoming a sharer in equal proportion with others in the general advantages arising from industrial progress."

After Dr. Spahr published his volume on "The

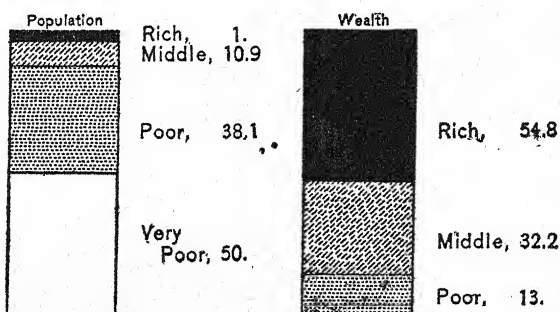
¹ American edition, p. 285. Let the reader curious to follow Cairnes's opinion read the entire fifth chapter, Part II.

Present Distribution of Wealth in the United States,"
I cut from the organ of the *American Federation of Labor* the following table:—

SPAHR'S TABLE OF THE DISTRIBUTION OF WEALTH IN
THE UNITED STATES

CLASS	FAMILIES	PER CENT	AVERAGE WEALTH	AGGREGATE WEALTH	PER CENT
Rich	125,000	1.0	\$263,040	\$32,880,000,000	54.8
Middle	1,362,500	10.9	14,180	19,320,000,000	32.2
Poor	4,762,500	38.1	1,639	7,800,000,000	13.0
Very Poor	6,250,000	50.0			
Total	13,500,000	100.0	\$4,800	\$60,000,000,000	100.0

DIAGRAMS SHOWING, BY PERCENTAGES, THE POPULATION AND WEALTH DISTRIBUTION IN THE UNITED STATES ACCORDING TO SPAHR'S TABLES



A little later, I listened to a popular exposition of this table enlarged upon a blackboard before a labor audience. "The thin dark line of population (one per cent)," said the speaker, "own more wealth than the remaining ninety-nine per cent of us. The poor,

though they are eighty-eight per cent, own but thirteen per cent of the wealth, and yet we are expected to approve a system which has so little to say for itself as that."

I do not personally believe that trustworthy statistical sources exist that enable one to make tables of this character that are more than guesses at the fact. Yet if it were known what the possessions of the one hundred and twenty-six thousand richest families in the United States are, the result would be all that any agitator need ask. I reproduce the table here, to show how words like those of Professors Cairnes, Rogers, and Smart can be used to give authoritative support to extreme and indefensible inequalities. In the instance of the speaker just quoted, he held in his hand a trade-union sheet from which he read the passage from Professor Cairnes.

J. S. Mill furnishes so many extracts dear to the agitators that he appears to be still one of their constant contributors. What is the dissatisfied wage earner to think of this passage?

"The form of association, however, which, if mankind continues to improve, must be expected in the end to predominate, is not that which can exist between a capitalist as chief and work-people without a voice in the management, but the association of the laborers themselves on terms of equality, collectively owning the capital with which they carry on their operations, and working under managers selected and removable by themselves."¹

A man of splendid sobriety like Mill, with the best economic training of his day, subjects the cur-

¹ People's edition, p. 465.

rent communistic schemes to minute and fearless criticism. No weakness or danger in these collectivist hopes escapes him. He sees that at bottom it is all a question of securing and preserving the maximum of individual liberty. He will have nothing that puts this liberty in jeopardy, but he objects to society as now constituted because this real freedom of the individual for the majority of men appears to him in imminent danger. He writes his conclusion in these words, "Between communism with all its chances, and the present state of society with all its sufferings and injustices, . . . all the difficulties great or small of communism would be but as dust in the balance."

These words of Mill are a direct sanction to a very large part of what socialists claim in the way of economic reorganization. The illustrious author asks no less than the upsetting of almost every separate idol of the conventional business man's piety. What proposal could be more radical than to make the laborer an actual partner, to democratize industry, in a word, as we are trying to democratize politics? Another passage from his autobiography has the same frequent use:—

"Our ideal of ultimate improvement went far beyond democracy, and would class us decidedly under the general name of socialists. . . . The social problem of the future we considered to be how to unite the greatest liberty of action with a common ownership in the raw material of the globe, and an equal participation of all the benefits of combined labor."

One would not expect to find John Fiske in such company, but I have twice heard him quoted by

socialist speakers, and once seen these words printed: "Inherited predatory tendencies of men to seize upon other people's labor is still very strong, and while we have nothing more to fear from kings, we may yet have trouble enough from commercial monopolies and favored industries marching to the polls their hosts of bribed retainers."

Lowell, Frederic Harrison, John Morley, William Morris, Howells, each furnishes some stinging paragraph against the present social order. One of our foremost economists, Professor Henry C. Adams, is gratefully referred to by a labor editor as writing the following: "The laborer of to-day, as compared to the non-laboring classes, holds a relatively inferior position to that maintained in former times. The laborer interprets this to mean that the principle of distribution which modern society has adopted is unfair to him."

The dignitaries of the church furnish many a text for labor and socialist agitation. These words are taken from Canon Barnett of Toynbee Hall:—

"The policies which occupy the leaders' minds, the interests of business, the theologies, the fashions, are but webs woven in the trees while the storm is rising in the distance. Sounds of the storm are already in the air, a murmuring among those who have not enough, puffs of boasting from those who have too much, and a muttering from those who are angry because while some are drunken others are starving. The social question is rising for solution, and, though for a moment it is forgotten, it will sweep to the front and put aside as cobwebs the 'deep' concerns of leaders and teachers."

With one exception I have found, among the clergy, the learned Bishop of Durham oftenest in their sheets. The exception is Pope Leo XIII. These words from the famous encyclical of 1891 have been used in hundreds of labor organs, and repeated before innumerable labor audiences:—

“The momentous seriousness of the present state of things just now fills every mind with painful apprehensions; wise men discuss it, practical men propose schemes; popular meetings, legislatures, and sovereign princes all are occupied with it, and there is nothing which has a deeper hold on public attention. . . . The concentration of so many branches of trade in the hands of a few individuals, so that a small number of very rich men have been able to lay upon the masses a yoke little better than slavery.”

We should make very paltry estimate of this new energy added to the labor movement, if we tested this sympathetic assent by its agreement upon mere matters of material or administrative changes. Of incomparably more power than this is the purely moral force which these great names lend to the laborers' struggle.¹

These citations are literally not a tenth of those

¹ Who among living writers has shown a subtler insight into the tendencies of his time than De Vogüé? In a masterly essay, “L'heure Présente,” he quotes Prince Carolath as saying that in Germany “the socialists have seduced innumerable idealists.” Though this is to De Vogüé *la folie rationnelle*, he yet adds: “Je veux seulement marquer le fait d'où découle tout entière sa nouvelle puissance: le socialisme a capté le courant d'idéalisme qui se reformait partout durant ces mêmes années. Une conspiration tacite, inconsciente, s'est nouée entre des gens que tout sépare, depuis le prolétaire qui se rue aveuglément contre la machine sociale jusqu'aux conducteurs patentés de cette machine; la conspiration commence à la haine d'en bas et finit à la vague pitié d'en haut.”

which I have noted in the printed record of social revolt. They are a scattered few taken from the labor and socialist papers of five countries. They represent opinions about present society which seem to range these eminent authors on the side of the agitators. No socialist recalcitrant uses more embittered speech against the fenced mass of vested prerogatives than these same teachers. Not only poets, artists, and men of letters, but savants from every field enter this list. They condemn a society that breeds and maintains such universal and revolting inequalities.

The question I wish to submit is this: what is the probable, yes, inevitable effect, upon the mind of the average wage earner who constantly reads or hears such sustaining sentiments from our most inspiring men? Can it have any result except to deepen every faith in him that his hope for social reconstruction has the sanction of the best men of the time? Their testimony appears to him, first of all, free from the bias of self-interest. It is the testimony of men of genius and insight, it persuades him, therefore, with redoubled force.

CHAPTER VI

MAN AND SOCIETY *VERSUS* MACHINERY

I

IF only the material elements of the problem are considered, socialism is so largely a conflict over the ownership of machinery that little headway can be made until its difficulties have been faced. That the world's inventions should have become a private possession is to the socialist the tragedy of modern industry.

In the exclusive power which this ownership gives, the socialist sees the intensifying of every cruelty in the industrial struggle for existence. Largely to this ownership he attributes the slavish dependence of the workman, the panting scramble of competition with its chaotic production and waste of human life. Let this ownership, together with the earth's area, pass again to the people, and a swarm of evils under which we now stagger shall fall from us. That these "means of production" should be taken from the control of the few and given into the control of all, is to pass from slavery to a free and self-directed life. It is of course true that socialism does not trust alone to the mere material fact of this transfer of possession. It has its own ethical idealism and a very noble appreciation of a more prolonged and thorough train-

ing for every child. Socialism sees that these spiritual values are to be counted in, if men are to enter into its new brotherhood. The economic side of this endeavor turns, however, on the machine and the "footing on which it rests."

It is to be noted that there is in this view no objection to machinery *as* machinery. The objection is against its individual ownership. Generations of workmen have objected to the machine as such, while other objectors, who cannot be classified, show a keen antipathy because of its effects upon the man or upon society.

Emerson says manhood has been shrunk and belittled by machinery. "The robust rural Saxon degenerates in the mills to the Leicester stockinger, to the imbecile Manchester spinner — far on the way to be spiders and needles. The incessant repetition of the same hand-work dwarfs the man, robs him of his strength, wit, and versatility, to make a pin-polisher, a buckle-maker, or any other speciality;" Ruskin, in a style brilliant as fire, preached against the "wheels" of progress for forty years. Morris begins the prologue to the "Earthly Paradise" with the words: —

Forget six counties overhung with smoke,
Forget the snorting steam and piston stroke,
Forget the spreading of the hideous town.

In one of his art lectures he speaks of machines that "have been so used that they have driven all men into mere frantic haste and hurry, thereby destroying pleasure, that is life, on all hands; they have, instead of lightening the labor of the workmen, intensified it, and thereby added more weariness yet to the burden

which the poor have to carry." Nor is it alone the poet and seer who see the ugly side of all this cunning artifice. I once asked an engineer to whom great honor has been given, why so many men of high intelligence felt this disapproval. He replied: "Their instinct is as right about it, as the suspicion of the workman. I have grown up with machinery, have watched its effect for years in shops of every description. I say Zola's phrase, '*La Bête Humaine*,' is an exact description. The great machine is a beast and claims its victims as constantly as any monster in the old fables." He had no illusions about "throwing more men out than are set to work." His censure was because so much of this power has to be worked in places and under conditions that slowly dehumanize a great multitude of men, women, and youth.

President Hadley, in a chapter on Machinery admirable for discrimination, admits that, "The charge that the factory system tends to deprive the laborer of independence, and reduce him to the position of a machine, is not so easily set aside. The substitution of mechanical for intelligent labor is often a very serious evil in modern manufacturing, . . . large classes of men who were most useful citizens in the past are being driven out of existence by the stress of modern competition."

John Stuart Mill was as severe in his upbraiding as the poets when he expressed the conviction that machinery has not even lightened the toil of the race. The sewing-machine does twenty times the work of the unaided needlewoman. As a consequence, cloaks, with more than one hundred thousand stitches, are

now made. Here is no lessening of toil, but only heavy accumulation of useless and stuffy ornament. At this point many of the artists cry out against machinery. They insist that although it gives us mountainous piles of objects; gives us infinite quantity of things, it deprives us of beauty and delicacy. The nobler object of life is certainly not first quantity, but quality. Quantity as such does not necessarily represent any good whatsoever. The newspaper is called the educator of the democracy. It is an educator in a good sense to the extent that it has excellence of quality. But presses in a single office may turn out half a million of yellow journals in a day. They make a Sunday edition of thirty-two pages, some of it good, some of it rubbish, and a part merely despicable.

The opinions just quoted are a challenge to the frisky optimism of this machine age. The engineer spoke from experience, Mill from a singularly cool judgment. Morris, printer, designer, weaver, dyer, working half his life as a practical craftsman, yet like his master, Ruskin, never lost his hatred of most machinery as now used. Even if these critics do not exaggerate the evil side of machine influence, it is evident from the extracts given that they ignore the immense service of the thing they blame.

Mechanical invention represents in point of magnitude the all-dominating force of our time. It would leave no human experience uncontradicted if an energy so stupendous did not, like the whole world of force, have its pain and shadow side.

James Nasmyth, in his Autobiography, after rejoicing in the triumph of his Bridgewater foundry,—

increasing the skilled workmen and raising their wages, — adds, that habits of steady application among large numbers of men showed a tendency to lessen as the machinery grew more perfect. This is the spirit of a fairer attempt to balance evenly the gain and loss.

Since Emerson's imprecation, we have learned to connect some unexpected virtues with machinery. It has become so interwoven with our entire social being that it reflects our common character. If machinery symbolizes greed, it also symbolizes many forms of improved conduct and activity.

The requirements, especially of the great public machinery like the railroad, make for better manners as well as for temperance, promptness, and accuracy. What railroad could to-day hold its own in competition, if it tolerated the brusque and boorish ways common among its employees less than a generation ago? Whatever lack of civility remains, the change on many lines has been prodigious. The neat uniform that has replaced the slouchy and indistinguishable dress, is a change no more marked than the deportment toward passengers. The superintendent of the Chicago Telephone Company told me: "Politeness, of course, we will have, but we demand much more. If we can't bring a girl to talk in pleasant tones, we don't keep her. Neither is extreme discourtesy tolerated from those who hire our telephones. We take them out of a man's house or office if he talks brutally or coarsely to our employees."

The electric street car is now a part of the great machinery. As the new improvements have come, a far higher grade of men is employed upon it. Upon

the old New York horse cars, a large proportion of the drivers and conductors were so inferior in general appearance, dress, and behavior that one seemed to be in the presence of tramps. The slovenly and lumbering car is disappearing before a clean and luxurious vehicle. Yet this spacious carriage is not more of an advance over the clumsy thing it displaces, than the men who serve it are superior in grade to their predecessors.

It is the nature of the machine to test and to select the sort of capacity fitted to operate it. That it should require, where it touches the public, greater sobriety and a more courteous bearing, is in part a tribute to mechanism. The telephone so impinges upon the public nerves that a pleasant voice adds to its value. When the telephone is at last in every home, and every operator is taught a proper intonation, pleasant voice tones will become a commercial asset. This invention will then be found to work as effectively against the bad voice, which all foreigners note, as the railroad is now working for temperance.

That the service of invention has not been confined to material profit is seen in the aid rendered to our political development. In 1800, few of the wiser men believed that the country, as we know it, could be held together. Whatever other causes have contributed, the machinery of steam transportation and the telegraph have perhaps alone been powerful enough to prevent disunion. The great property interests have been both distributed and united, as families have been scattered and yet bound together. So, too, specific problems of dense city populations are likely to have more help in their solving from

electric and railroad facilities than from any other source.

Our concern with machinery is here, however, rather with the problems raised by labor and socialistic agitation. As this, in the view of the writer, is the most fundamental of the purely practical issues, it will be considered at length.

That which glares at us on the surface is the machine's capacity to multiply the product which makes our wealth. This is kept to the front by all who sing the praises of invention. Industrial history nowhere furnishes so many brilliant illustrations as this story of mechanical achievement adding to the creature comforts. Where there was no tool or only primitive ones, the race lived from hand to mouth, and not even that continuously. Where machinery is highly developed, wealth increases far more rapidly than population. Even if its distribution is unfair, the higher wages and fewer hours that follow are traceable, first of all to the swelling product of the machine. Many printers upon one of our great papers receive six and seven dollars a day. If the printing tools of a half century ago were still in use, the wages would not be half this sum. With the old tools they could not make that quantity of papers which attracts the advertiser. The machine alone makes possible the hundred thousand edition with its world of readers. It is to reach these that the advertiser so roundly pays. Here is the source that makes the high wage a possibility.

A well-known conductor on one of our great roads, who has lived thirty-three years of his life on moving trains, tells me that the comfort of the trainmen has

increased with all the most important mechanical improvements. "Every five years I can see the conditions of work are a little easier, and I think safer. When I began as a brakeman, the life was cruelly hard, but now automatic devices do the heaviest work. It is so much easier that about the only difference that I see between the brakeman and the passenger is that the brakeman doesn't have to pay for his ride." These improvements may be noted on every decent railroad in the United States. This improvement is quite as much moral as it is material. The conductor was telling the story of a score of roads when he added: "We used to have few men on the road who did not drink to excess. They visited saloons freely at the station during working hours, and half of them carried whiskey openly in the train. All that has been changed so entirely, that I do not know a more temperate set of men than trainmen. We simply can't keep our places and have it known that we drink in working hours, or drink too much off time. The risk is too great to allow a man in the business who has any intemperate tendency." The value of this evidence is great because it answers conclusively one of the oldest arguments against machinery, that it necessarily lowers the quality of the man. As a generalized statement this is now seen to be false.

The economic section of the committee of fifty found this so true that it could substantiate Carroll D. Wright's previous judgment, "The greatest single influence in the United States, making for temperance, is the railroad."

The cheapness and abundance of grain foods is

explained when the story of machinery has been told. Mr. Holmes of the Agricultural Department has traced the history of the plough. One wonders at the existence of any type of mind that would not be fascinated in John Deere's works at Moline, Illinois, where these marvels of human invention are produced. Could Ruskin have been patient to watch these processes, and still be satisfied to load the result with abuse? They are as strictly triumphs of imagination as any most brilliant page that he ever wrote.

The steam-gang plough, combined with a seeder and a harrow, has reduced the time required for human labor (in ploughing, sowing, and harrowing) to produce a bushel of wheat, on an average, from 32.8 minutes in 1830 to 2.2 minutes at the present time. It has reduced the time of animal labor per bushel from 57 to $1\frac{1}{2}$ minutes; at the same time it has reduced the cost of human and animal labor in ploughing, seeding, and harrowing per bushel of wheat from 4 cents to 1 cent.

As a boy I watched men shelling corn by hand across the edge of a shovel, or grinding one ear against another. One may now see a machine that shells a bushel every minute, besides packing it into a sack ready for delivery. This means abundance and cheapness.

Before Whitney's invention it required the work of one person ten hours to take the seeds from one and a half pounds of cotton. The machine will now do, in the same ten hours, more than four thousand times as much. That ten million bales can be marketed in a season, and that cloth is so cheap, is no longer a wonder.

A linen sheet that once cost thirty days' labor can now be made in seven hours. A steam shovel will do in eight minutes what one man can do with difficulty in ten hours. The dirt may be unloaded from a train of cars in six minutes, that would require, with the shovel, a day's work of ten men. A stone-crusher will perform the work of six hundred men. Few material blessings bring more comfort to every class in the community than good roads. To none is the advantage greater than to large sections of the relatively poor, as in country districts. Yet the rapid growth of these highways is almost exclusively the result of the machine. I choose this more striking form of invention because it is largely against such that labor has raised its most angry protest.

To comfortable people generally this cry of the workman against machinery is a plain imbecility. "Does he know his interest so little as to object to a labor-saving contrivance? Does it not heap up the product out of which his wages and well-being come? There is of course great inconvenience now and then to the individual, but it is merely incidental. You laborers must trust to the 'long run.' The machinery that throws you out, or cuts your wages, makes more work here or elsewhere. The thing it makes falls in price, which is but another way of raising your wages." It was thought that labor should be docile after this explanation of the distant and ultimate good which machinery brings. But the race of hand-to-mouth workmen that would be satisfied with such advice is, happily, not yet born. Only a rare few, even among business men, act upon the "long run" motive. The average employer is concerned with

the profits of the next six months, *i.e.* with "the short run." The uncertainties about tariff changes, about the permanence of good times, and, above all, about the pressure of competition, often make this the only practicable course to follow. The trade unions are only copying the employers when they reply: "We cannot postpone our share until years of time bring, if they do bring, cheaper products. The employer may be able — aided by patent laws — to keep all the good to himself for years. We have a right to every good that organization can give us at the time."

Better than all outside advisers, labor has known the dangers which threatened it. It has watched the troop of women and children pouring in as competitors among the men. It saw that these were taken solely because they would work for less. In this country labor soon learned that machine industries demand a "reserve army." Then, if business presses, workmen are at hand; when it slackens, they can be turned off.

Where machinery has brought high and quick profits, it has put a premium upon every form of cheaper labor, — woman, child, and immigrant. This it is which has introduced among the laborers a competition as merciless as any that employing capitalists bewail among themselves. To press the "long run" view upon the laborer, under these conditions, is to assume an innocence that he did not possess even two generations ago. Labor's relation to machinery has been darkened by dangerous economic illusions, yet the tenacious instinct that the implements of toil should be far more under his own control was sound from the beginning. It is in this rooted faith that one

sees far off the hope of a genuinely democratic society. When separate tools were joined and fitted into more elaborate instruments, they slipped from labor ownership because labor was weak from ignorance and poverty. It was in no way fitted for such proprietorship. The modern social question has largely risen out of the conflict between capitalistic ownership and the workman's sense of lost mastery. In the earlier stages, when inventions multiplied so rapidly, the laborer struck at them savagely, as at an enemy. He saw his fellows constantly dropped, and customary wage payment upset and readjusted. In his ignorance it appeared to him that his very hold upon life was lost.

From the larger social point of view it is very simple to show the error into which the workman fell.¹

If machinery were upon the whole robbing him of work, then a relatively smaller part of our population must, decade by decade, be occupied with machinery. Every investigator knows that the exact opposite of this is true. There is no decade since 1850, in which it cannot be shown that machinery has set a larger and larger proportion of people to work. The proportion of those earning a livelihood directly by the help of machinery was never so great as at the present moment.

¹ The dire conflicts in the cities of Midland England, in the first half of the nineteenth century, have had, even by the novelists, most dramatic recital. Boston trade unions had this subject under frequent discussion about 1830. Five years later a New York publicist wrote, "It is well known that many of the most violent and lawless proceedings have been excited for the purpose of destroying newly invented machinery." Albany printers struck against a machine to print Bibles, although the book could thus be delivered "folded" for four cents a copy.

It is seen that hundreds are thrust aside, it is less easily seen that masses are set to work. One has only to analyze the indirect services which invention creates to admit the force of this. Upon the old handloom one could weave forty yards of shirting in the week. To-day the weaver may produce in a week sixteen hundred yards, or forty times as much. If the making and delivery of the raw material and the distribution of the finished product, forty times as great be taken into account, no one will doubt that the machine stimulates more activity than it displaces.

Printing machinery has been especially selected as illustrating the displacement of labor. Yet it can be proved to a certainty that far more men and women are occupied in this industry than ever before. The inventions have so cheapened processes as to make possible innumerable products like the *Munsey* and *McClure* magazines, in the making and distributing of which a new army of persons has been set to work.¹

The Hoe press prints, folds, cuts, and pastes seventy-two thousand eight-page journals in a single hour. To gather the material, make and deliver the raw paper, finally to distribute the printed sheets daily in twenty states, must bring occupation to many more than the machine dislodged.

¹ I once listened to a discussion of this subject before a trade-union gathering in which three printers began by maintaining that invention was doing each year a larger part of the work and men a lessened part. When a clear statement had been made of the numbers set to work by more than twenty new periodicals, — paper-making, machine-making, distributing, and even printing, — it was finally conceded by all that the results of the new instruments had made occupation for many more men than had been displaced. The concrete effects of a single machine before the eyes had alone been taken into account.

Invention has created hundreds of new industries. The railroad alone employs more than a million. The telegraph, telephone, bicycle, illustrate new vocations made outright for millions of workers. The railroad displaced the coach, but the express business, affiliated with the railroad, has set to work many men where the old coach employed one. The telegraph and telephone have made work for many times more than can ever have been displaced. The moment that the indirect services which invention produces are estimated, the case appears stronger still.

These showy achievements have been thought to be the final and crushing answer to labor's complaint. The answer is not final. The workman has learned the indirect, long-run advantage of much machinery, but he is incontestably right in striving, with his full associated strength, to get all possible immediate advantages from the invention; to lessen individual and short-run evils. This half-blind instinct of labor is at one with what we are all slowly learning; namely, that they who own much of the great mechanism, especially if it rest on a natural monopoly may get and long keep to their excessive fattening, privileges and resources that should be far more open to the general enrichment. If we add political control to this private control of machinery and natural opportunity, we have that against which the whole storm of social discontent will beat in the next generation. Labor's relation to some specific forms of industrial machinery, as now owned and guarded, is precisely that of our own wider relation to certain monopolized privileges.

The philosophic advisers of the workingman have rarely been fair to him in this frantic contest with

the new inventions. There was from the beginning a heart of truth even in his wildest errors. It is often the very nature of a successful new machine to disturb the normal local wage in such way as to make it seem an enemy to those affected by it. I can illustrate this by an experience once given me by one of the most influential socialists in this country. "I was trained in an English machine-shop, coming to the States for better chances here offered. My wages finally reached \$4 a day, when a new invention cut me down to \$2.50. I again reached \$3.50, when another contrivance cut me to \$3. I got a little above this, only a third time to be docked to \$2.50. When I became convinced that with the best effort I could make there was no chance to get beyond a certain line, I quit trying, and have since done all I could to further the cause of socialism among my fellows." There are, of course, many varieties of machine work in which this experience is untrue. There are probably more in which it accurately describes what is continually occurring.

It frequently happens that a foreman's personal advancement depends upon the good showing he can make to the employer in his own department. To do this, he is often able to use new inventions (as in the above case) to keep wages low among as many of his men as he can force or induce to accept the situation. Special skill may at the same time be considerably advanced, while others with only average ability, but with some sort of disposition or qualities that require prudent handling, may still receive the old wage. I have heard these processes described with no concealment by several foremen. In Pitts-

burg one told me: "I must keep as many men down as I can keep down (in their wages), or my report to the boss would be against me. If I didn't do it, he would find plenty of men who would."

It is in these almost infinitely varying details of the actual workshop that one learns the limitations to all buoyant generalizations about machinery. Let us look at another very common case.

In an Illinois foundry I heard it said with some indignation, "Talk about healthy men; look at them for yourself; there isn't a man who suffers from it." The work was ten hours for six days in the week. It was thought absurd that the men should want a Saturday half-holiday. Here were several hundred men living amidst hideous surroundings. Thirty saloons were within ten minutes' walk. They were the natural recreation places for the larger part of the men when their work was done. It was the opinion of a foreman that those who did not habitually go to them and spend a larger part of their wages were in the minority. "Most of us go, of course," said one; "what else is there to do? The free lunch will give us food and whiskey, too, for ten cents." I went into one of the most popular saloons. It was filled with these men between nine and ten o'clock. They were reading the *Police Gazette*, playing cards and pool, and throwing dice for drinks. If one could have looked upon the entire picture, others would have been seen, some at their homes, some at the library a mile away, but these were the few against the many. It would be as silly to blame these men, as to call the employer hard names. The nature of the business, the sharp rivalry of competing firms, left small margin

for philanthropies. If work must be carried on under those conditions so strenuously and with so little relief, society must pay the price. "My machinery is such," said the employer, "that it must be run fast and continuously, or I should shut down and turn them all off. It is not a pleasant place, but I am forced to be close to the river and close to the freight depots." This is a fair description of thousands of mills and shops. The machine, in the large sense in which the word must be used, including the railroad, shipping lines, etc., seems too often to compel the selection of working places that are beset by every unwholesome influence that can play upon the laborer's life. Too often his family must be reared hard by, in surroundings as loathsome as many of those, for instance, that disgrace the neighborhood of the great Chicago packing houses.

As long as the machinery practically requires so beggarly and mean a setting as this, we cannot consider the environment as an unrelated part of the evil. Modern machine industry has gathered the workers into towns and cities, or grouped them in masses in mines and factories. It has set them to work upon a mechanism so complicated that its effects can only be truly imaged, when we think of the railroad, telegraph, telephone, steamship, power loom, and all other seemingly isolated machines, locked together into one stupendous enginery. About this, in it, and through it the swarming millions are at work. The tides of commerce play upon it sluggishly for a time, leaving a third or a fourth of the attendants in chronic idleness, then, every belt and axle are hot to meet the clamor for all the

products that can be thrown upon the market. The army of operatives has to do the bidding of this monster feeder of human wants.

All that portion of machinery that is of necessity overdriven and placed in extremes of dampness, heat, or dust, as it often is, is not an unmixed blessing. I asked an engineer on an ocean steamship about the life of the stokers working in an atmosphere of one hundred and ten degrees Fahrenheit. He said, "Oh, it makes beasts of them, but we can't help it." Whenever machinery cannot be used except in conditions that brutalize life, we call it an evil, even if a necessary one. If the speed is so great that the average man or woman cannot stand the strain beyond a half of one's natural life, it is an evil, and an evil far beyond its effect on the individual, for it strikes at parenthood, producing a devitalized offspring that constitutes the chief horror of many industrial centres.

With the manager of one of the great iron industries in Pennsylvania, I watched several hundred men working a full eleven-hour day in a deafening noise and in an atmosphere murky with dust. A portion of the work, which continued unremitting through the twenty-four hours, was done by "double shift." This required a twelve-hour day. The speed throughout was as high as the men could be induced to take. Unprompted, the manager said: "It is a pity that men have to work like this, but there is no help for it. The machinery drives us at a gallop as well as the men. To clean the place up decently and run it eight hours, would shut it up in a week. Our worst competitor, in —, drives harder than we do, and gets

more out of his men." I asked about the wages. "The men with skill are well paid, — \$2.50 upwards to \$3.00, and even \$4.00, — but the mass of unskilled get perhaps \$1.50, just enough to exist. If they have families, I don't see how they manage it." Let it be admitted that machinery is, in general, a blessing; but what sort of a blessing does it bring to such as these? It is better than starvation, but what rational end of life can be attained with eleven or twelve hours' daily toil in these surroundings? The manager made it clear why nothing better could be done. "The boom has come, and while it lasts our success depends upon driving as if life was at stake." This description is accurate, — "While the boom is on, our success depends upon driving as if life was at stake."

To such straits have these organized forces brought us: first a hot race with competing rivals, then a glutted market; first the boom, then the depression; first long and crowded hours, then lack of work and men adrift. This sorry see-saw in the industrial world is the puzzle of the economist and the despair of the practical man. This network of great inventions cannot be put down as the exclusive cause of the evil, but that the evil is enhanced by this cause is certain. This means that we are half enslaved by a great deal of our own mechanism. It means that we honestly care more for the machine's output in wealth, than we care for manhood, womanhood, and wholesome family life. It means that we do not first and profoundly care for citizenship and a reputable society. If these workers can keep their animal strength and tend the machine, is it not enough? The absolute requisitions of culture of any kind —

a minimum of unexhausted leisure, of real freshness of body and mind—would take at least two hours off every working day. It affronts our intelligence to say that the average man can do that kind of work more than eight hours daily, and have left over the leisure, the moral and intellectual surplus of energy, for humanizing objects. The loss to good citizenship, to social peace and safety, is an abiding threat to social peace. If we were not the easy victims of wont and usage, accepting the actual as natural, we should one and all revolt against this awful waste of human values. That the future will class it as a form of slavery, seems to me assured.

A very large proportion of capitalistic investment is now embodied in machinery of the most delicate and costly character. When the complex enginery is once started, it has to be "tended" precisely as if it were the most frail human life or plant. It is as safe to shut up and desert a hothouse of dainty flowers, as to close up and desert modern machinery. Every hostile element attacks it as if bent on instant destruction. To prevent this devastation, mills are often run at great loss, when trade is dull, thus piling up the product of an overstocked market.

Another type of evil in the Western rural districts that cannot be dissociated from machinery is described in the following words by a competent local observer:—

"The influence of large farms on country life is unquestionably deplorable. The summer population of the big wheat farm is composed mainly of a drifting class of laborers with no attachment to the soil and with no interest in their work beyond getting

their pay. In the winter they go to the pineries or hang about the cities looking for odd jobs. The winter population of the farm is reduced to a few men who take care of the stock, and perhaps one of the foremen who has a family. Usually the manager and his family go to some town to pass the dead season."

The Hon. C. A. Ficke of Iowa, speaking of ordinary farms, tells me: "From an acquaintance with every county in the state, I should say that the drifting character of this hired farm help is an almost unqualified evil. Many of our farmers carry on their work by the help of machinery in such way that they can dispense with the 'hands' except for a few weeks in the year. These men are well paid during this time, then they scatter in search of desultory jobs, many of them seeking the large towns and cities, where the uncertain nature of their employment ruins hundreds of them. Thousands of farmers in these parts will not hire a man accompanied by his family. The results of this are equally bad."

In all this the employer is often as much a victim as the employed. His mill, too, is but a cog in a vaster mechanism. It turns now swiftly, now lazily, according to the throb of the great markets which are its life. The individual employer takes the breathless pace, because it is the pace of the army in which he marches. It is partly because he is swept on by forces greater than himself, that he must snatch so eagerly at the little power within his grasp. The inventions under his own hand, he can in some degree appropriate as absolute property. "Trade secrets," royalties, and patents he can secure for a little space.

In this scramble a new machine appears upon the scene. If the employer can put it in, on his own conditions, — no questions asked, — he may, if hard pressed by a competitor, drive a very sharp bargain with his workmen. Now he drops men, now he introduces girls and boys, now he cuts wages. In this moment of possible difference between the felt interests of employer and workmen over the introducing of a new invention, a large part of the social problem springs into existence. The test question often arises, who shall have the new increment of gain which the machine brings? Shall the employer have all the good of it because the invention is his? Again and again I have heard it asserted, "I have bought it, and all the advantage that comes with it is my own." It is doubtful if this claim would be challenged, if in introducing the machine no disturbance to labor were caused, but the more perfect the invention, the more likely is it to derange the labor group that used the discarded machine. The new machine is usually the death of the old one which it replaces. The attempt of the union to divide the advantage of the new invention with the employer has been the heart of an immemorial strife. When ignorance gives place to enlightenment, the union will not "oppose machinery." This the intelligent ones have long since learned. Neither will they yield the pivotal point of doing all in their power to secure as much immediate benefit as the organization can effect.

This point is so vital that it should have ample illustration. An improved invention is perfected and brought to the mill or factory for introduction. The employer, especially if he is plagued by unionism,

uses extreme caution in putting the new device to work. In countless cases, he first selects the most alert and vigorous among his workers and practises them, to see how fast the new invention can be run, and how large a product it can be made to turn out. When the best it can do is discovered, the employer tries to make the result the standard for all the other workers. If he can do this unchecked, he may secure all the immediate advantages, and leave the inconveniences to the workers. From the very beginning of the machine era, the trade union has had to struggle against this tendency to force the pace of the average workman, by the tested skill of the most vigorous. I have seen in a New England factory a machine working with such rapidity as to excite wonder that any one could be induced to follow it nine hours a day. Upon inquiry, the foreman told me how it had been managed. "This invention," he said, "is hardly six months old; we saw that it would do so much more work that we had to be very careful in introducing it. We picked the man you see on it, because he is one of our fastest. We found out just what it could do before we put it into the room. Now they will all see what it can turn out when it is properly run." "Properly run" meant to him run at its very highest speed. This was the standard pressure to which all who worked it must submit. I have known a manufacturer to leave a strong trade-union shoe town and go to the country because "the trade union try to slow up my machine. If I attempt to get all the good out of it, they are bound to put a check on me somehow."

When the New England shoe laster was perfected a few years since, it was seen by employer and employed that if put to general use it would strike an almost final blow to the strong union of the lasters. The company owning the invention had it first tested in its own rooms and then offered to put it into the manufactory, *sending its own man to run it*. The union in Brockton instantly struck. I asked a local manufacturer his opinion. He answered: "I think the union entirely justified in this strike. If I were one of them, I would be at the front of it." There was doubtless complete legal justification in selling (or buying) this machine together with the lasting company's man to run it. Why, then, should this employer acknowledge that the strike, which worried him, was just? It was because he was large enough and fair enough to see that it was asking far too much of an old and established labor organization, to see this new invention applied under conditions which involved, not only its immediate dissolution as a union, but a rapid displacement of many members from the shops.

If it is to be assumed that men can be treated exactly as machines are treated, this union had no ground for complaint when its fate was decided. Its members had merely to say: "Shoes can now be lasted automatically; we are out of the game. Let us drop our tools and learn a new trade." This would have given the entire benefit of the invention at once to its owners, to the manufacturer, and to the consumers. To the labor organization it would be said: "You must take the whole sacrifice, distressing as it is. It is deplorable that, after years of service,

you have to look elsewhere for a livelihood; but progress and the good of the greater number demand it. However, shoes will eventually be somewhat cheaper, and this compensation will be yours." If the final and supreme end of the world's toil were cheapness of product, the routed union and the displaced laborers would have to take this counsel and act upon it. They refuse to do this because they are human beings with the rights which their humanity implies. This is what the employer meant who said the strike of the lasters' union was just. He saw the human interests at stake and rightly balanced them against certain business hindrances. He thought it fairer and wiser in this instance to sacrifice a part of the material benefit rather than the human.

But no judgment as to the fairness or wisdom of this employer's concession is quite possible until it is explained what the union proposed to do. There is a sense in which these men were "fighting the machine." They did *not* propose to stand out against its introduction. They admitted that the machine had come to stay. The struggle was not against the machine, but wholly over the conditions of its use. They asked that members of the union should be chosen to run it. In other words, that the union should *then and there* participate in the advantages which the machine brought with it. The public has been deceived as to the nature of the strife, because the older unions did fight the machine as machine. Now and then, new and ignorant unions do this still. Often unions in the building trades secure a local monopoly which they abuse to the

point of absolutely preventing the use of some new invention.¹

Grave as these exceptions are, they are exceptions, and should not blind us to the main facts. Labor organizations, as a whole, aim to get their share of utility when the disturbing invention is applied. They do not propose to abolish it, or even to hinder it, if applied with due regard to labor interests.

I believe it to be simple justice to labor organizations to admit that the main purpose of their long contention has been to free machinery from the abuses of a too narrow capitalistic interest. It was of course unavoidable that labor should work toward this great end, through the earlier stages of unionism, ignorant of its own goal. Its history and its literature are nevertheless filled with proofs that its purpose, deep and unalterable, has been to force machinery into its proper place, where it should serve man rather than enslave him.

It cannot be denied that weighty questions of industrial progress and of the rights of property are raised by this attitude of the unions. Yet governments and municipalities without number have already taken the trade-union ground, and many first-rate business men act on the assumption that the union contention (stripped of its abuses) is just. It is the essence of this assumption that business management should take on a more democratic character. Or to

¹ The unions pay dearly for these rank abuses, since they go far to justify the public in believing that labor organizations are merely mulish in their opposition to industrial progress. The medieval attitude of certain unions at the national capital in using their political influence to retain clumsy and outworn devices has brought upon the cause of labor much deserved contempt.

give the statement another form, the contest of organized labor takes for granted what is essential to the spirit of partnership in the business. The strident tones in which the harassed employer announces, "This is my business, and I propose to have no dictation how it is to be carried on," is itself a sign that the unions claim a sort of partnership, however absurd it may be. On the other hand, the grim and tenacious purpose of the unions, in time of strike, to beat back scab labor, has the same implication of group rights in the business. Such an assertion on the part of labor is now thought to be monstrous. I wish therefore to give the testimony of the president of one of the best-known corporations in the United States. His opinions are submitted, because they have the authority of a conspicuously successful business management, as well as that of a singularly conscientious student. For years he has been as eager for the best literature on the social question as any economic instructor. The trade unions are strong, and frankly recognized by the management. In many consultations with this gentleman he has told me how he came to think the old term "my business" less true than the term "our business." "We are a body of directors, stockholders, and workmen. These latter we encourage to come to us, buy homes, and settle permanently about us. In a very real sense there is a kind of partnership, though of course in no legal sense. The rights are not all with me or with the investors. I shall fight for the control, because that is a necessity. Our men could make the product, but they could not market it. The buying and selling is at present beyond their capacity. If I should

give them the business, they would go down before our rivals in a year. A century later, when the workmen are properly educated, I should probably be the hired manager."

When I pressed the question about the nature of the partnership which he recognized, he replied, "It is a partnership in the sense that I do not hold them off at arm's length. They have a right 'to dictate' in many ways. When I put in a new machine, it usually involves a change in the wage scale among a portion of the men. We talk this over together and see how the machine can be adjusted so as to do the *least possible injury* to the group which is affected by it. That is itself an acknowledgment that something like a partnership exists among us. Some inventions would enable me to break up the union. Most mechanical improvements of any importance involve turning off men. It is my duty to talk all this over with them and make them see it. It is also my duty, when one set of relations is broken up by a new machine, and wages and conditions changed, to do all in my power to let them have just as much of the advantage and as little of the harm as possible. I have found thus far, that with proper sympathy from my foreman, we can redistribute the workers in such way as to keep the peace and make them feel that they are fairly dealt with."

Here, obviously, is the temper and the method that would save forthwith half the strikes in the United States. I should like to hang beside this another picture. It is that of an industry larger and not less successful than the other.

Nowhere more than in this business does machinery

play a greater part. Nowhere does one invention follow another with more startling rapidity. As a consequence, nowhere can one better mark the splendid achievements in augmenting the mass of products and in lowering their price to the user. It was in part this visible plethora of ever swelling profits that roused discontent among the more intelligent and better paid workmen. The strike that followed was ridiculed because started by the "labor aristocrats." After the conflict had subsided, I heard the story on the spot from several of the men who had suffered from it. There were many regrets that it was unwisely begun and unworthily handled. "The pay," said one, "was good, and you could trust what they told you."

"Why, then, was the strike?" From the most thoughtful man among them I got this answer. "I think now the strike was stupid, but I shall always think there was cause of just complaint on our part. We had sacrificed much to build up a strong labor organization, but we were as helpless as any belt upon the great wheels. Except the pick of the men, we were liable to be dropped any moment without a word of explanation. New contrivances are being put in so fast, wages altered, and men turned off exactly as if no union existed. I have seen, in a single section of my union, one man in nine thrown out, exactly as if they were screws and didn't fit. We are not fools enough to object to the new inventions they put in, but they have no business to put them in without the slightest regard to us as human beings. They have absolute control of the machinery and of every bit of the new wealth which the inventions make for them. Millions go into their pockets because they have the

power to take it. The ordinary unskilled workman does not get enough to make it safe to raise a family. A dozen men have palaces and money to burn, while two-thirds of those they employ will not, if they are wise, try to buy the most modest home. They must live in cheap tenements, in order to be free to move at a moment's notice. Hundreds of men, who have made part payment on a house, have lived to regret it."

With the foremost active manager in this business I talked over this complaint about machinery. "But the inventions," he said, "belong to us. The chief nuisance of a trade union is, that they want to haggle and delay over every bit of old iron we throw out. It is one great advantage we have over the foreigner, that we can put in the invention instantly, and not fool with a trade-union committee." Here again the heart of the struggle is laid bare. "To fool with a trade-union committee" meant to talk over the conditions of readjustment brought about by the new appliance. It was to acknowledge that the union had some right to discuss the changes which concerned its very life as an organization. The aims of the union seem often to have nothing whatever to do with machinery, — as in its contention for an eight-hour day, — yet behind all is the one great purpose, to get the largest possible share of the product which labor creates.

Now if mechanical invention is in the unrestricted possession of the employer, labor feels itself baffled in striving for all the wealth it creates, or believes it creates. The constant putting in of new machines, with every immediate utility passing to the owner, seems to leave the laborer on the hopeless margin of wage dependence.

In the last business referred to, the masterful director held that this dependence was justified. All thought of a partnership in any sense was scouted. In the instance first given the president held, on the contrary, that labor was defrauded unless it were frankly admitted to discuss the changes that always follow successful and disturbing inventions. It is possible that the uncompromising method of absolute ownership, and not less absolute dependence, will prevail, while the conception of a partnership will fail. The formula, "This is my business," may prove victorious in the struggle, while the fraternal, "Our business," vanishes with that great company of amiable follies in which mammon worship has not been the sole object.

If it prove true that we have too little good will and intelligence to organize industrial affairs more and more along the lines of "our business," the outlook is not cheerful. It would mean, to a certainty, that every turgid agitation which justifies a miserable discontent is fastened upon us for an unknown and ominous future. It would mean a gloomy succession of strikes, dragging in their train those fatal excesses with which local authorities cannot cope. It would mean a danger darker still in democratic society: the soldier equipped with weapons of death led out against a mass of his fellow-citizens.

II

Only the nature of the machine problem is presented in this and the previous chapter. The specific solution which socialism offers will be considered in the pages which are given to that subject. Mean-

time, a more detailed illustration is necessary to show that one of the most deadly results of machine industry need not go without a remedy.

Economic phraseology is impotent to state the full gravity of these misfortunes. Those that manage the trade-union benefit fund, workers in the Associated Charities, and at College Settlements know what it means for the family man to be thrust aside before fifty. It is here among the weaker and older workers that the completer measure of the ills can be taken. It is a common answer that these ills may be real, but that they are temporary. In the larger curves of time, readjustments are made, and the individual hurt is lost in the general good. I have tried to show that this sleek optimism is misleading. The "long run" is no more real than the "short run." With only the "long run" in view, the most serious charges against machinery are still unanswered. These charges are concerned with the perpetual succession of "short run" and individual hardships, whose gathered atoms constitute a very massive and persistent fact. It is with this that the future of voluntary association and social legislation will have to do, in the attempt to modify the struggle for existence on the industrial field.¹

But first let us see in a given instance what these short run phenomena are. I was allowed recently to

¹ "The most conspicuous, if not the most serious distress connected with hard times is found in those lines where there has been great duplication of machinery; lines where the machines and the laborers together are far more able to supply the popular demand for products and devices at rates which will keep the workman and his family alive." — "The suffering from this source is terribly severe." — *President Hadley*, "Political Economy," p. 344.

attend a sitting of heads of departments in one of the larger industries of the United States. There was one hour and fifty minutes of rapid and concise discussion upon the possible economies to be effected in the different branches of the business. At least one-fourth of the discussion turned upon the practicability of discharging unnecessary labor. Every superintendent was put under fire of general criticism. He must show that he was producing the highest results with the least expenditure of means. "You," said the chairman, "have thirteen men on such a job, F—— suggests that ten men could do it as well, what do you say?" The superintendent appealed to make his defence or admitted that two or three men could be discharged.

These superintendents represented several thousand workmen. The kindness and consideration on the part of the employers were a model of good will. So far as convenient, other positions were found for those displaced, but no year passed in which "several hundred" men were not dismissed. I asked an owner active in the business what became of the discharged men. He answered: "Of course we can know nothing about that. Our affairs are too large to admit of any considerable personal supervision. When a man begins to look shaky, we have to let him go." If large numbers of men are worked weekly six full days of ten and eleven hours, if made "shaky" by long and special service at minute processes, they are replaced at forty or forty-five years of age by young men; there may be in all this a great cruelty to the individual, and mischief to society. Let us look at this last evil. Not alone the quickened speed of

machinery, but its costlier and more delicate nature calls for an operator with every nerve and muscle at their best. The work upon much of the swiftest machinery can be rapidly learned, so that youth is naturally selected. An Eastern shoe manufacturer, visiting Western shoe shops, told me that competition with the East had so increased that he determined to know the reasons. The chief thing that had struck him was the general appearance of the workman as he looked through the Western shops. "It often seemed to me," he said, "as if I were in a high school. The older hands are hard to keep with us, but they have disappeared altogether out here." I have a series of photographs representing large numbers working in hat, shoe, and garment industries. The group effect is that of a boy's school with here and there a man in middle life. I have heard a manufacturer of machines say that among the greatest changes he had known in forty years of business was this elimination of men who showed the least sign of age. Another employer told me: "It isn't so much that we turn off men when we see the gray hair and spectacles, but we don't any longer, as we used to, take on men of forty. The fellow of eighteen or twenty, even if pretty green, can be quickly taught, and then he is good for twenty years. Where the older men have special skill, or some quality that we want, they are kept, but not the average men." It is these average men in the forties and early fifties that are thrown out by thousands each year in the great industries. Many take lighter routine work as watchmen and gatekeepers. Many turn to odd jobs. Many are supported by their children. In most of the older

businesses there is honest and kindly effort made by the employer to find work about the premises. This sense of responsibility is now seen to disappear entirely in the case of certain trusts that have replaced smaller corporations. A Boston man who sold an old family business to the trust tells me, "I got a good price, and was willing to stop, but I have one unpleasant regret, the kindly personal ties I always had with my men and their families are simply wiped out by the big organization."

The separation between the owners of fixed capital and the laborer has long been noted; but with vast federated plants, managed by hired intermediaries, it is unavoidable. There will be brave attempts to meet the difficulty by alluring philanthropies, by "doing something for the workingmen." If merely philanthropic, these will fail as they deserve. Benevolent schemes that bear the slightest taint of charity have at last got the contempt of the intelligent wage-earners.

Importunate and never again to be silenced, their demand is that they get their benefits, not as gifts or favors, but as recognized rights. Philanthropies are a dangerous substitute for honest wage payment, shorter working time, and increased influence over the conditions of the labor contract. What may be called the Great Bluff of our time is to put gratuities and benefactions in the place of justice. There is no donation, however gaudy, that can fill the place of justice. The attempt of the ruling class to do this is the oldest trick in history. It was the opinion of a Roman emperor, "Magnificence in gifts may deceive even the gods." The crowd could then

be quieted by the brutalities of a pageant, the butcheries in the arena, by fleets of stolen grain scattered among the people, as a Tammany heeler scatters gifts and personal kindnesses before the election. We are at least civilized so far that we demand more decorum, and a certain humanizing of our largesses. They must bear the image of charity and good-will to men. They must be educational, artistic, and in all ways incentives to good morals and religion.

Now it would be both untrue and offensive to deny that these later bounties are vast improvements upon the free circus of Caligula. No wise man would check a generous instinct of any multi-millionaire. The books, pictures, churches, and schools take their places among the welfare institutions of our time. They are influences which deserve the honest and grateful approval of the public.

Yet when this tribute to good motive and good result has been paid, the story is not finished. We are hoodwinked, unless we see that there ought to be, and possibly may be, a still better way than this to acquire individual and social morality. The sturdy self-respect in any community that should build its own church, school, library, dispensary, — paying every honest bill as it goes, — would show an exhilarating superiority before which every one of us would hasten to pay respect. We must be grateful to our princely givers, but the mistake would be fatal to accept this method of splendid subsidies as a finality. What we really want is the ability and the instructed will to pay our own bills, even if the pace of our civilization halts a little. I know a group of Flemish socialist

working men and women who slowly bought with hard-earned money two thousand well-selected volumes for their common library. Not ten in the entire membership ever got \$2 a day in wages. What comparison is there between the educational value of that sacrifice and the easy acceptance of a building choked with gift books?

The unspoiled instinct in the labor and socialist movement is to do precisely this thing, to gain competence and leisure, to win these luxuries for itself. The *flair* of this instinct is unerring when it scents danger in benefactions. In spite of noble exceptions among employers, labor knows that these bounties may confuse the relation in which it hopes to stand toward the employer. There will be much mockery at this by well-bred people. It will be easy to mock, because the claim is so obscure. The labor phrase has become very familiar, "We will have justice, not charity."

The public, critics and students alike, all find fault with this use of the word because of its vagueness, yet it can be made perfectly clear what "justice" here means. Last year I visited a mill to which many pretty additions had been made,—a library, resting room, gymnasium, etc. The manager said, "This ought to make them contented, hadn't it?" I asked a friend, who is a stockholder in the mill, to find out for me just what the men and women working there thought of these new sources of contentment. The answer I got was this: "The most intelligent ones tell me they should much prefer to have the expense of these things added to their wages. They take it good-naturedly enough, and think the employer is a

good man, but they seem to believe he will in the long run get his labor a little cheaper, and can attract a certain class of labor in these ways." This is fast coming everywhere to be the feeling. It is sometimes bitter, but oftener merely cynical.

Let us further examine this claim, in what is perhaps the most tragic element connected with machine industry. It should enable us to see first what labor means by "justice" in a definite instance; second, a special form of evil connected with machinery; third, the general direction of more immediate and conservative remedial action.

I select an industry which has reached the very highest point in mechanical evolution, the Carnegie Steel Company. Nowhere have I seen more lordly and generous provision for those who are maimed at their work. I found instances in which the recompense was four times as high as the greatest amount ever given under the German State Insurance. In my surprise at these amounts I asked Mr. Schwab, then president of the company, for more information about their method. He replied, "We have no method except to see to it that our own injured men are generously dealt with." In a letter received later from Mr. Schwab, he says: "If a man is injured at our works, we send him to a hospital at once, where he has the best possible medical attention, all of which we pay for. If he has a family to be taken care of during his enforced idleness, his wages, or part of them, is given to his family in weekly instalments until his recovery, and until he is able to resume his duties. In case such injury makes the person unfit for his usual occupation, something suiting

his physical condition is found for him. Many of our workmen who are injured are foreigners, and one peculiar feature is that the great majority of injuries is to workmen of foreign nationality. In such cases they usually want to return to their own country, if their injury is a serious one. When this is the case, we provide transportation for them to their homes and allow them sufficient money to either start them in some small business, or provide a place for them in some institution. Where the accident results fatally, the family is always taken care of financially. If there are children, provision is made for their education. If we cannot provide means by which the wife can take care of herself, we allow her a pension, or house to live in, or something of that description. If they have grown-up children, we provide them with work. In brief, each case must be treated independently. We have no fixed rules." Here is benevolence open-handed and in its least objectionable form. That it was done honorably and in good faith I do not question.

It is to instances of this character that those point who would convince us that voluntary good will is a surer friend to labor than anything which the law can effect in the form of legally applied justice.

Some of the best Southern mill-owners show much indignation at those who ask for legislation to check the desecration of child life in their mills. They urge, instead, that voluntary agreement and personal good will can meet the evil better than legislation. That ancient query, "Can you make people moral by legislation?" has in it so much truth for a whole class of social evils that there is little difficulty in

throwing doubt upon all law as an aid to industrial betterment. There is nothing, however, that is now better known than the power of legislative enactment to help mightily in the case of definite industrial evils. Child labor is one of these. Uniform law includes the weak employer and the bad one. The difficulty is rarely with the best and strongest employers. They can afford to be fair, but the hard-pressed employer and the meaner ones will take every petty advantage which public indifference and the necessities of the poor throw in their way. It is for these that the law is a necessity.

No more can industrial accidents be left to the generosity of exceptional corporations. Only the rare few can afford to imitate the Carnegie Company. The average business now insures against accidents in some private company, whose skilled lawyer knows every device to beat the injured workman in the courts. On the other hand, when the workman's hurt is known, he may be visited by some attorney who spurs him on to beat the company. It has come to be mainly a blind hunt to fix personal responsibilities under industrial conditions which make this impossible.

An injury that deprives a man of half his working power should be recompensed in like proportion. The "capitalizing of accidents," in proportion to their disabling results, is a discovery to which the future will give far higher rank than we now accord to it. It has passed the stage of theory, and is now put to practice on a scale that leaves no doubt as to its possibilities, among persons willing to inform themselves of the facts. The principle on which it rests is that of insurance — insurance under which the mass

of unmerited misfortunes is distributed among those who can, and who in justice ought to bear it. As it comes to be understood in its application to the appalling average of industrial casualties, it will be found to satisfy, more perhaps than any other remedy, the growing ethical sense of society.

In the anthracite coal fields one would like to *begin* reform by applying this systematized insurance to that frightful list of stricken laborers that are now thrown back upon themselves or their families with recompense so uncertain and niggardly as to shock the most primitive sense of social justice.

Let us now see in a given case what the workman means by asking for justice. In the matter of industrial accident he asks to have legal rights so systematized that he shall receive definite and calculable compensation for injuries.

The relation of industrial accidents to machinery is direct and obvious, yet neither their number nor their treatment has been in the least realized in any community until a long and arduous propaganda has been made. Previous to the accident insurance in Germany it was thought that there might be thirty or forty thousand injuries due to machinery that would be covered by the insurance. The first investigation showed three times this number; when the investigation became more complete, six times the number. It was found that in many dangerous callings the accidents were concealed from the outside world. But for the forced public regulation of railroads, we should have no hint of the full tragedy that goes on, day by day, in the United States. The authoritative statement of the Commission for 1901

reads as follows: "The total number of casualties to persons on account of railway accidents, as shown for the year ending June 30, 1901, was 61,794, the number of persons killed having been 8455 and the number injured 53,339. Of railway employees, 2675 were killed and 41,142 were injured."¹

From railway machinery alone, 8455 killed and 53,339 injured in a single year.² One has to read and reread these figures before their grewsome significance is in the least clear. If we add the mining, iron, and lumbering industries,—portions of which are more dangerous than the railroad,—some conception is possible of the mutilated life due to machinery as it is now run.

Yet if all the cunning and sympathy of the race were exhausted in the attempt, this slaughter could not be stopped. It can be greatly curtailed by improvements like the automatic car coupler, and by throwing pecuniary responsibility upon the owners. Wherever the slaughter is sudden and dramatic enough to shock the public,—as in the machinery of mining and transportation,—it has become possible to compel the ownership to pay heavily for its accidents. In countless lesser and private industries,

¹ Commenting on this report, the *New York Evening Post* says: "In reverting to their figures, it will be interesting to compare them with the last report of casualties in the British army in South Africa during the recent war, which, it will be remembered, lasted nearly three years:—

Killed on American railways, three years ending June 30,	
1900	21,847
Killed (British forces) during South African war (including	
deaths from disease	22,000"

² Fairness requires that discrimination should be made between the casualties of employees and the casualties to others called by the railroad "trespassers."

where the blows fall singly and silently, as deaths in a hospital, though the numbers may be as 10 to 1 greater, there is thus far in the United States only the crudest attempt at fair dealing with the victims or their families.

From a group of several hundred cases, of the type collected in the Bulletins of the New York Department of Labor, I give a commonplace instance. A Swede working with a derrick, while removing an old building in Chicago, was struck by a falling beam, which broke his arm in three places. He settled for the sum of \$80. His son, a waiter in the Union League Club, told me a year later that of this amount \$68 went to the doctors. He was still unable to work, and never again could have free use of his arm. It is the commonest case of taking advantage of the laborer's ignorance. He could have secured counsel to fight the case in court. But for this he was too ill informed.

In most of our states our method of indemnifying industrial accidents is as crude as it is abnormal. Justice requires some approach to equality of procedure, but a crushed hand may bring nothing to the sufferer, it may bring \$50, it may bring \$500. Whether it bring anything, much or little, depends, for the great majority of workmen in this country, upon the most incalculable chances.

We still act as if in an age of primitive tools. When every man controlled a simple tool, like hammer and plane; when it did not move except when he willed and as he willed, it was not unnatural to hold him responsible for incidental hurts. It was not unnatural that if one workman injured another it should be

held to be the fault of that workman and not of the employer. There was then some sense in the formula, "The responsibility of the fellow-servant." From the older and simpler conditions, rules like "common employment" have come down into the age of huge instruments driven by the powers of steam and electricity. The difference is as great as that of breaking boulders by fire or vinegar and blasting with dynamite. During the long experimental struggle to harness electricity, workmen in the United States daily fall to the street, withered by the touch of a live wire. What in common has this manner of death with the older accidents when labor moved and controlled the simple tools?

That the corporation and every stockholder in it should escape responsibility, by allowing a lawyer to plead ancient laws, shows that the strong and successful of our age have as little taste for justice as their ancestors. It is the scale and complexity of modern machine industry that has made the old rules, like the "common employment," "contributory negligence," grotesque in their unfitness to present facts. What the French fitly call the "accident anonyme," the accident over which the victim has no control, has come to be a terrible reality in machine industry.

In "common employment," under this rule, the laborer was said to contract with his employer to take all the usual risks that were incident to the business. Thus the employer so far escaped responsibility. One of the commonest of these risks was an accident brought about by the carelessness of a fellow-laborer. Early in the century, when machinery was of the simplest sort; when the employer was the owner and

lived among his workmen, the doctrines of "common employment" and "contributory negligence" were intelligible. In a modern mill, factory, mine, or in railroad service, they are as much out of date as a distaff, or as bleeding for miscellaneous diseases. The cause of accidents in these days of great machinery and of the army of subcontractors, becomes so obscure that the law, many years since, became charged with a casuistry as subtle as that of the scholastics. The cases are filled with metaphysical terms like the following: "*causa causans*," "principal cause," "determining cause," "proximate cause," and "cause directly contributory" to the accident. I have heard the dean of one of our law schools call this common legal casuistry "rubbish of the worst sort," as applied to the facts and exigencies of the present-day industry. Most civilized communities outside of America have already made the same acknowledgment by framing new laws that mark an era in a juster social legislation.

Switzerland came first in 1881, Germany in 1884, Austria in 1887, Norway in 1894, and England, France, Italy, and Denmark in 1898. One and all have taken the first definite steps toward the organization of justice in this matter of industrial accidents.

In an entire day's discussion of this subject in 1901, before the American Social Science Association in Washington, the judgment was practically unanimous that our methods of recompensing accidents by machinery are as clumsy as they are unjust. There is in the United States no well-informed student of this question known to me who has in general a different opinion.

The justification which a layman feels in using strong language about this inhumanity, is that wherever the facts have had thorough discussion, both lawyers and politicians of highest eminence agree in condemning conditions like those now existing in the United States. It was of these that Sir Frederick Pollock said, "I think the doctrine of the American and English courts is bad law as well as bad policy." Of these same conditions (the English act of 1880) Mr. Asquith used the words, "a scandal and a reproach to the legislature, an elaborate series of traps and pitfalls for the unwary litigant, and producing litigation which, in proportion to its difficulty and cost, is absolutely barren of result." Lord Salisbury and Mr. Chamberlain have both used language scarcely less severe. When the discussion began in the House of Commons, twenty years ago, scores of able men hotly defended these laws. It is now said that no first-rate man in the house will even attempt a defence. At the international congresses for the discussion of accident insurance, the part which "common employment" has played in our legislature has invariably elicited surprise and disapproval.

Mr. Willoughby, in his admirable book on "Workmen's Insurance," at the end of the chapter on this subject in the United States, puts the case of our own backwardness in these words: "It would be difficult to think of another field of social or legal reform in which the United States is so far behind other nations. The most depressing feature of the situation lies in the fact that the very principles involved in this gradual evolution from the limited liability of employers to that of the compulsory indemnification by

them of practically all injured employees, are as yet not even comprehended in the United States."

Nowhere can the ethics of social responsibility be studied to such advantage as among these accidents and deaths due to the manner and places in which complicated machinery is now used.

The United States stands preëminent for its inventive faculty. Nowhere has the great machinery developed so swiftly or taken such perfect and effective form. Nowhere has a race profited so greatly and so continuously by the cheapened product due to mechanical devices. It would be a very elementary form of justice for a public so enriched to say: "We get the good of it; our incomes and our luxuries increase with every new embodiment of the inventor's cunning. We, who are loaded with extra gifts, come off unscathed, yet the vast processes which work for our comfort are followed by a fatal train of blighting injuries. Ought not we who get the good, to see to it that the inevitable death or mutilation should be decently recompensed?" Yet we as the nation which receives most from the machines make the most niggardly return to the victims. Semi-public corporations have been compelled, in a degree, to do their duty. Here and there private corporations act honorably toward their injured workmen, but the general mass of crippled life in our country is indemnified, if at all, with a meanness, with a fickleness and uncertainty that is a reproach to our civilization. No civilized nation can match our hot pace and our careless disregard of human life. We insist that the hurry is but a name for enterprise and progress, and that it is unavoidable if we would lead the world in industrial

achievement. If this be so, let justice be done to the victims of all this greatness.

The principle through which, at least, a beginning of justice is possible, is now clearly worked out for our instruction. It has been developed from the same causes in Switzerland, France, England, and Germany. The facts of industrial accidents were first exhaustively studied with a view to uniform and equitable procedure. The illustration from Germany is best only because the investigation of their accidents has been most systematic and thorough. When Germany had our "Employers' Liability" as it now exists in most of our states, she had what we have, endless and expensive haggling in the courts with every extreme of uncertainty to employer and employed, as to amount of indemnity. It was found there, as with us, that perpetual injustice resulted because of the laborer's ignorance in using the common law. The first German authority upon this subject, Dr. Zacher, says: "The heavy burden of proof laid on the party seeking redress almost frustrated the beneficent intentions of the measure. The limitation of responsibility to cases, in which the blame rested with managers or overseers, left uncovered not only cases originating from personal fault or neglect, but likewise that large class of injuries caused by chance or fellow-workmen. The inability of the responsible parties to pay an indemnity, often compelled the applicant to fall back upon public charity, and the increasing number of lawsuits seriously embittered the relations between employers and employed."

Twenty years' experience under the German act has made it clear that more than half of the industrial ac-

cidents are neither the fault of the employer nor of the employed. They come with the regularity of the tides, and can be dealt with by exact actuarial methods. This evidence had a powerful influence in England in their decision to stop this hunt for impossible personal blames, and put this whole matter where it belongs, — upon a basis of carefully regulated insurance. The long and searching discussion of this problem in eight countries is practically a unit upon this point. The expense of accidents (barring cases of gross negligence) should, like insurance, be thrown upon the costs of the business. The general body of consumers must then, in the long run, when readjustments are made, pay the bill for the disabilities incident to production. This ends, once for all, a world of petty personal bickering that is wasteful from every point of view.

One of the first results of the study was to show how easily the employer escaped responsibility under the rules which came down from primitive industry. A group of 15,970 "grave accidents," published by the Imperial Bureau in 1887, reads as follows:—

3156 due to fault of employer,	or 19%
4094 due to fault of victim,	or 25%
711 due to fault of both,	or 4%
524 due to fault of fellow-workmen,	or 3%
6931 due to risks which were incident to the employment,	or 43%
554 due to unknown cause,	or 3%

Here about three-quarters of the employers would escape under the old rules as they are frequently interpreted in the United States. These figures are not exceptional. The Swiss tables showed that less than eighteen per cent of accidents could be *proved*

against the employer. In Belgium it was shown that the old law (like our own) left three-fifths of the injured workmen without legal rights of indemnity.

Just as clearly do these preliminary studies in social justice bring out other startling phases of cruelty on the one hand and of immediate possible improvement on the other.

To see that one kind of work has a per capita risk of accident or death, eleven times greater than another, in which the wages are quite as high, shows what unfair burdens we are willing to thrust upon the weak and ignorant. The insurance of the German type now compels the business with extra risks to pay an insurance *proportioned to the peril*. If unusual casualties attend any business, it should bear the burden. The old theory that hazardous toil receives higher pay, is now seen to have no general truth whatever. It is like the conjured objection to the ten-hour day in the English mills, that the profits were made in the last half hour and "*therefore* the working day could not be shortened."

•Again it appears in many industries, where the nervous strain is great, that the ratio of accidents rises in the tired hour before the work is stopped. There are industries in which the accidents are twice as numerous in the last hour of the day as they are in the hour following dinner. The bearing of this upon a shortened day in these industries is obvious.

These illustrations of the danger and loss side by no means exhaust the account, but they fairly show that if the service of machinery is great, the maiming effects of it are also great.

No sane person, however, suggests that machinery

be either destroyed or discontinued, not even the wrathful Ruskin, if he is carefully read. Machinery is with us doing our work, and it is here to stay. It is strictly the creature of man's devising brain. Not a cog, a lever, or a wheel that was not a thought before it was a thing. There is no enginery however vast that is not thus a creature of man's mind. The first of all questions about machinery is how far we shall allow this by-product of our thinking to become our master.

No one will claim that the evil is primarily in the machine. Such evils as there are, must be in the ways in which we allow it to be used. We permit it often to be badly placed, recklessly run, too irresponsibly owned or put to specialized uses that dwarf the operator.

These are the evils with which the coming time has to cope. The most obstinate of them will be met only by a uniform, well-ordered extension of factory and social legislation of the types illustrated by child labor and industrial accidents.

It is now pretty safe to say one thing to those who assert that this uniformity cannot be reached because separate states will stand out in order to secure every competitive advantage. Monopolized privilege in the United States will almost certainly engender abuses which public opinion will not continue to endure. Almost certainly we shall have (as in the great strike of 1894 and the coal strike of 1902) trouble profound enough to create a new habit of mind in the American people. Through these extreme disorders and inconveniences the public will learn its hard lesson of demanding those activi-

ties of government that will at last give us a body of uniform, industrial, and social legislation that will stand in some real relation to the actual facts of an industrial life that is no longer an affair of state boundaries, but of one common national area. Not to do this, means a still more rapid development of socialism. Meantime the questions raised by machinery have to be faced, one by one, until they are better understood. No single illustration can better bring out these facts as they bear upon the social question than the tragedy of industrial accidents and the whimsical incongruities of our present legal methods. The average of injuries is appalling in extent, but possibly one-half of them are due to avoidable causes. Those that cannot be avoided, can be honestly and humanely recompensed. It is not destiny that the casualties from coupling cars in 1889 should have been 5235. If quarrying stone is fifteen times as hazardous to life and limb as making paper or cloth, it is not fate that the extra peril should be borne by the quarrymen without some corresponding compensation. It has been proved in theory and in practice that a rough money equivalent can be given. It is not fixed by nature that men should operate machinery so many hours and in conditions so unwholesome that the springs of life are exhausted before life is half lived out.

For these and kindred evils, traceable to machinery, as now owned and operated, socialism appears upon the scene with proposals of its own.

It is a fundamental assumption of the socialists, and more and more of organized labor, that if the "means of production" were controlled by the community, rather than by private persons and corpora-

tions, the evils now connected with machinery would pass away. It is thus implied that the evils are inherent not in the machinery, but in the nature of its ownership and control. The collectivist therefore asks that the state take over the mines and the machinery necessary to work them. Let it give a minimum living wage to every worker, with hours not exceeding eight; in a word, the people have power to use machinery as it will. First, enlarge the public possession of this machinery, then the community shall have the profits, and what is perhaps a greater good, it shall use the machinery for the common weal. It has yet to be proved whether or not socialism can make this promise good. New Zealand and Australia have adopted this policy of using railroads, telegraph, telephone, etc., first for social service. Strictly business and dividend reasons are consciously subordinated to this higher interest. We watch this daring venture anxious to know if the new principle will work. Can they work this machinery through politics first for the public good, without loss of efficiency and a too heavy burden of costs? If this can be done, it will mark an era in social improvement.

While we await results, our task with the corresponding machinery is chiefly that of "regulation"; to subject these forces to such control that human and social interests shall not be too much endangered. In many countries the proof is now complete that uniform legal control can work incalculable social benefits. The limits of this control and its efficiency as compared with the collectivist principle can be known only through that further experience that is now rapidly accumulating for our guidance.

CHAPTER VII

THE MASTER PASSION OF DEMOCRACY

I

Illusions

THE story of the social unrest cannot be told without reference to those motives which underlie its practical methods. At the heart of all socialistic aspiration is some conception of equality. At the heart of the larger labor movement is the race longing for a society in which at least the spirit of equality shall be realized. Most radical remedies are only means to this end. Beyond, and deeper than all the machinery of social reconstruction, is this master passion of democracy.

Henry George did not give his life for a system of taxation. He worked for thirty years with rare and high devotion to convert the world to his "single tax," but wholly beyond this was the thing he cared for; the larger equality which he believed the single tax would usher in. There is no sect of socialists of which this is not likewise true. Their several schemes stand only as means to this larger end of a more equal life. Is this dream, as so many tell us, a discredited absurdity?

Those who have written most persuasively in favor of equality have been moved to expression by the

violent and flaunting inequalities amidst which they lived. Rousseau and Godwin, the aristocratic St. Simon and the democratic Fourier, down to recent writers, like Zola and Tolstoi, are sore and angry before the fact that those who have too little and those who have too much so jostle each other along the highway of a common life. Almost more is it a source of irritation that those who are not in want are prone to excuse these extremes as natural, unavoidable, and even desirable. Godwin wrote this sentence, "The human mind is incredibly subtle in inventing an apology for that to which its inclination leads."

The prejudice of interest and of temperament rarely shows itself with more complacent confidence than in most discussions on that world-old dream of the democracy, equality. In the days when the tory hatred of Gladstone was so acrid that it was thought to be bad form to mention his name at a dinner table, I asked a wise Englishman what reason could be given for a bitterness so excessive. "Those who hate him," he answered, "cannot give reasons, or if they do, there is no consistency among them. You will notice that vituperation takes the place of argument. When Gladstone is gone, it will be seen by all that his rank is without dispute among the half dozen of the greatest statesmen England has produced. My own interpretation of the abhorrence in which the well-bred world professes to hold him, is that it sees in him a very terrible enemy to those property rights on which our social inequality rests. Not that Gladstone means this, or is conscious of it, but his enemies see in him a most redoubtable

champion of the coming democracy, and hate him accordingly." This exposition may be defective, but it illustrates the unreasoning passions that are kindled when interests for which men most care are put in danger.

No subject is more beset by disturbing bias or class jealousy than equality. Much of the literature that extenuates inequalities exhibits a certain irritation, as if the author were arguing against one who had affronted him. This perversity of misunderstanding is epitomized in the Lincoln-Douglas debates. Lincoln came again and again to the famous equality clause of the Declaration, "All men are created equal," etc. From the astute Douglas to the pettiest demagogue of proslavery politics, Lincoln was harassed because of his defence of equality. With his incomparable lucidity of statement, he tells the public what he means. He does not mean equal in all respects; color, stature, moral and intellectual gifts, are indefinitely variable, but deeper than this difference lies a basis of equality, absolute and impregnable. "There is," said Lincoln, "no reason in the world why the negro is not entitled to all the natural rights enumerated in the Declaration of Independence; the right to life, liberty, and the pursuit of happiness. I hold that he is as much entitled to these as the white man. I agree with Judge Douglas that he is not my equal in many respects—certainly not in color, perhaps not in moral or intellectual endowment. But in the right to eat the bread, without the leave of anybody else, which his own hand earns, he is my equal, and the equal of Judge Douglas, and the equal of every living

man." In passages like this, it is made fearlessly clear that the great democrat is not arguing for impossible equalities; clear, that he understands, as well as his opponent, what a gamut of superior and inferior qualities inhere in the race, and forever will inhere. But these repeated explanations of Lincoln, except to far-off and disinterested readers of the speeches, were fruitless. Once insisting upon the great principle of equality, no qualifications that he could make before an audience weighed in the balance against the insolent substitute for argument, "Will you marry a nigger?" "Will you invite 'em to dinner?" Stung by the persistent unfairness, Lincoln replied, "Anything that argues me into his (Douglas's) idea of perfect social and political equality with the negro is but a specious and fantastic arrangement of words by which a man can prove a horse-chestnut to be a chestnut horse."

This sentence summarizes the interminable attempts that have been made to prove that the dream of the democracy is mere fatuity. The explanation of this is easier, because few subjects, if interpreted with any literalness, are so open to attack and to raillery. If there is one fact about which human experience can have an absolute opinion, it is the fact of diversity and inequality of gifts. Nor is there a sign that this diversity and inequality are being extinguished. There are signs that they tend uniformly to deepen with each new stage of progress. Certain it is that nature loves variety no less than unity, and greets each new difference in her unfolding life with delight and approval.

It is a measure of our culture to shrink from

monotony and rejoice in variation. I read a vapid imitation of Bellamy, in which none were to be physically more beautiful than others. The very sense and source of beauty would thus expire. A world in which at a given moment none are better, braver, more gracious, more eloquent or more masterful than others, presents a sorry spectacle to the imagination. It is open to doubt, but I fancy that a society which insisted upon apportioning exact property equivalents would affront the common sense of any well-developed race. A race that has become both strong and kind, would be eager that property should go according to needs and to gifts. As these varied, the use of property would vary.

If, then, our discussion is to begin with these admissions of inevitable inequality, what remains for argument? The whole practical question is, I believe, untouched by any of these concessions. Lincoln's phrase, "specious and fantastic arrangement of words," as applied to equality, was never more in fashion than now. Many an uncompromising defender of society, as now organized, is quick to make merry over every suggestion of equality.

There is some excuse for this, if the word be taken narrowly, or if many of the past interpretations of equality be accepted. If, on the contrary, we are willing to take the word at its best, take it as it is now used even by the broader-minded of the socialist writers, the notion of equality presents no paralyzing difficulty whatever. The better to establish this fact, let us look first at the narrower meaning and at the illusions with which the word has been associated.

So many graphic efforts have been made in this

country to force an artificial uniformity, that the attention has been diverted from the essential spirit of equal privilege. Perhaps the history of no people offers so great a variety of picturesque attempts to realize social equality as the United States during the nineteenth century. The century opens with the election of a chief magistrate consecrated to this end. No sooner was Jefferson in office than he began to practise *la vie égalitaire*, the ideals of which so fascinated him in France. In 1801, he proclaimed his purpose to efface, at his receptions and at his table, every form of class distinction. All rules of precedence, hitherto customary, were to be set aside. This was the famous *pêle-mêle* that so enraged the British minister. The general dismay was at its height in 1804, when Jefferson wrote privately to Monroe, "We have told him (the English minister) that the principle of society as well as of government with us is the equality of the individuals composing it; that no man here would come to a dinner where he was to be marked with inferiority to any other; that we might as well attempt to force our principle of equality at St. James's as he his principle of precedence here." The British minister wrote home that the foreign representatives and their wives "are now placed here in a situation so degrading to the countries they represent, and so personally disagreeable to themselves, as to become almost intolerable." The French minister wrote to Talleyrand that "all Washington was turned upside down." It is not probable that an abler or a more sincere and honest trial of "the equal life" among the functions at the Capitol, could ever be made than that which

was made by Jefferson under his "Canons of Etiquette," that had the formal approval of his Cabinet.

The experiment, however, left as little trace as any of the hundred Utopias that have been tried in our country. The failure came, not because foreign ambassadors treated it with ridicule and disdain, but because our own people did not continue to like it, more than the foreigners liked it. To see why any one of the Utopias miscarries, is to see why Jefferson's hope came to nought. It matters little which experiment we select. One of the ablest and most practical business men in England, Robert Owen, started one in Indiana in 1826. The thirty thousand acres of land, the mills and houses, cost him \$150,000—a large fortune for those days. It excited much interest, and the Hall of Representatives in Washington was opened to him and crowded with distinguished hearers two long evenings, to hear the story of the "changed circumstances that should make for equality." Several men of note were among the members of this colony in Indiana: Vigo, the painter; Maclure, a rich geologist of note, attracted by the Pestalozzian system of education; and a well-known naturalist, Alexander le Seur. In 1824, all hopes were high.

The first signs of mutiny come with the endeavor to enforce the details of the equal life. If the members are to be sincere in discarding the tokens of artificial superiority, what better beginning than with personal dress? It was therefore decreed that the dress should be uniform. The men should be clothed in a jacket without marked color, the trousers attached to the jacket by buttons. It was early noted

that while many men submitted, they were not the most desirable members of the "Community of Equality." Many of the best male members openly sulked beneath this colorless jacket. As for the women, the disapproval was instant and unmistakable. They were to be garmented in an unadorned frock extending a little below the knee. The rest of the raiment was to consist of pantalets. The sulky protests of the men were very subdued compared to the unconcealed displeasure of the women. There could be no reasonable check on the expression of their vexation, because, in the final constitution, absolute freedom of speech was made not only a privilege but a duty. The women were quick to avail themselves of this fundamental right. They not only flatly refused to wear the vestments of equality, but formed, forthwith, a sort of sympathetic strike against any and all women members who dared to appear in them. To Mr. Owen this behavior seemed unworthy, but it caused him no misgivings. He said it was natural that people brought up in the long tradition of frivolous personal distinctions should be slow to free themselves from its influence. If the right beginnings were made with the young, these foibles would pass away with other perversities of human nature.

The splendid optimism of Robert Owen was a part of his genius. The history of social reform has few names to which the future will give superior rank. I believe that the practical economic achievements of the English democracy owe more to him than to any other man. It is very plain, however, that many of his special methods of reaching equality were humorously ill chosen.

In all that Thomas Jefferson did in Virginia to abolish primogeniture, the entail of property, and to insure religious liberty, his contributions to equality were great. If he had done what he wished to do, establish popular education and abolish slavery, no name in our history would have been so illustrious, but the details of the *pêle-mêle* are of the same order as the colorless jacket and the pantalets. If there is a single lesson to be read from the long list of insolvent Utopias, it is that the thing we call human nature will not submit to have thrust upon it the externals of a literal equality.

The literary Utopias are unabashed by these perplexities. In Bellamy's world, each person has an extremely liberal credit card. This lordly provision is possible, because a fine imagination has spirited away a host of awkward difficulties. Wealth has been multiplied by the author at least a dozen times; the wealth enjoyed in common, indefinitely increased, and what is of greater importance than both of these items, the whole population has somehow become prudent and self-controlled and delicately considerate of others. If one does not exhaust his credit card, he cannot save for himself what remains. It passes to the common treasury, and he begins the new year with a new credit symbol.

Industrial changes that should give us, in the year 2000, ten or twelve times more wealth each year than we now have, are perhaps among the possibilities of the coming century. It would not be more startling than the changes that have become the commonplaces of the century just closing. A far tougher strain upon our credulity is the transforma-

tion in the race of men and women. The unfailing trait in every Utopia is this assumed change in race qualities. There is no difficulty that cannot be evaded, if one sets out with the right kind of humanity, or imagines one that has reached far higher development. Certainly the chief sources of our social troubles are old-fashioned ignorance and selfishness. If one choose to conceive a race that is without ignorance and without selfishness, the new society is at hand. Bellamy is not unaware of this fact, and therefore finds it necessary to introduce a religious revival—a revival such as the world has never seen for universality and thoroughness. Other worldly motives do not enter into it. A sublime enthusiasm for the good of all in this present world lifted the multitude into an ecstasy of well-doing. The revival did not cause the economic changes, but was rather caused by them. As we are told, it “made a short story of the later stages of the great upturning.” Many believed that the industrial revolution would require decades, but Dr. Leite says to Julian, while they wait for the play:—

“Those who held this opinion failed to take account of the popular enthusiasm which would certainly take possession of the movement and drive it irresistibly forward from the moment that the prospect of its success became fairly clear to the masses.” Giving the history of this enthusiasm, he further adds: “An impassioned eagerness seized upon the multitude to enter into the delectable land, so that they found every day’s, every hour’s delay intolerable. The young said, ‘Let us make haste, and go into the promised land while we are young, that we

may know what living is.' And the old said, 'Let us go in ere we die, that we may close our eyes in peace, knowing that it will be well with our children after us.' The leaders and pioneers of the Revolution, after having for so many years exhorted and appealed to a people for the most part indifferent or incredulous, now found themselves caught up and borne onward by a mighty wave of enthusiasm which it was impossible for them to check and difficult for them to guide, had not the way been so plain."

Then to cap the climax, as if the popular mind were not already in a sufficiently exalted frame, came the Great Revival, touching this enthusiasm with religious emotion. This quotation is not presented as a target for gibes, but to show the magician's skill in overcoming difficulties. The author knew that his scheme could not work, even in the imagination of the reader, unless the inexorable selfishness of man was dislodged. If equality were temporarily won, the old devil of self-seeking would destroy it again. The revival is made equal to the occasion. Even of the capitalists who fare ill in the book, it is said: "They were not persons of a more depraved disposition than other people, but merely like other classes, what the economic system had made them. Having like passions and sensibilities with other men, they were as incapable of standing out against the contagion of the enthusiasm of humanity, the passion of pity, and the compulsion of humane tenderness which the Great Revival had aroused, as any other class of people."

With an influence so irresistible at one's disposal, no millennium need be postponed. The communist

carries the division of property still further than the socialist; but if self-seeking is expunged, the extremer equality is as easy as the other. The philosophic anarchist has a splendid ideal; a society in which no prison, police, court, or law is necessary. If a revival or any other agency could make all people behave so well that no external constraint was necessary; if there were absolute generosity, forbearance, and good will, this ideal, too, could be realized. The Sphinx riddle is how to get such behavior. At present the Utopias monopolize it. The world, as known to us, is moved by other and far more complex motives.

To the cynical, the Utopias have ever been the easy mark of satire; and when they failed, the crushed hopes met from the outside only general hilarity and I-told-you-so complacency. The lack of sympathy with heroic and unselfish attempts to realize equality is itself evidence of the common dislike of equality. One of the later experiments, at Ruskin, Tennessee, for which great hopes had been felt, has met disaster. I have gathered many opinions from the press, but among them all no kindly note of appreciation. Has the world, at heart, a fixed, unconscious hatred of equality?

The history of these hardy enterprises is very chilling. For most it is a question of months, of years for a few. A small fraction is held in some permanence if only the binding power of religion is there. Religious sects can get little comfort from this, because it seems not to matter much what kind of religion holds them; that of the Mormon and the Shaker appear to be among the best for the purpose. If these communities are destitute of sturdy faith

or superstition, if you will, that subdues them into habits of obedience, they fall to pieces. They start radiant with high and noble purpose. In the beginning no sacrifice is wanting to realize the equal life. But a few moons come and go, and then a subtle poison begins its work.

Here again the explanation is seen in our most common observation of ourselves and of the men and women about us. A few years ago the American papers were very jocular at the expense of a rich American in London, because of his published claims to a distinguished family lineage. Yet that is what half one's acquaintances are everywhere doing to the extent of their ingenuity. Heraldry now is a charmed word for multitudes of very humble people. Librarians are suddenly plagued by the importunity for genealogical evidence of distinguished ancestry. Daughters of this and daughters of that; clubs, coteries, everywhere springing into life, bound to discover proof that they are not quite like other people. I saw a Colonial Dame flushed with delight because on a great occasion in another city her badge had given her 'showy precedence over certain Daughters of the Revolution, who at home never failed to let her feel her social inferiority. She said, "In all my life, no minute ever gave me a joy like that." The women need have no shame, they cannot outdo the men in this pursuit. Scarcely a town that is not gay with embellished orders stamped with every display of royal and knightly nomenclature. Read the list of officers from the Sublime Grand Master down, and ask what aristocracy in history ever went farther in its hunt for feathers. Two or three

years ago there was a gathering of three or four orders in Boston. From a single copy of the *Herald* I take the following modest titles, — Grand Dictator, Grand Chancellor, Supreme President, Grand Vice Dictator, Supreme Warden.¹ This outbreak is a droll commentary upon a society that has found so much to ridicule in the "haughty infirmities" of the old world. It has sprung, however, straight from human nature. We have won wealth and some leisure that have brought us into contact with foreign sources of distinction that we lack. No people ever displayed the passion for inequality more greedily than we. One builds a yacht, and if he can dine an English prince at the Cowes races, or entice the German Emperor on board at Kiel, this single breath of royal atmosphere at once endows the enterprising host with the rarest social privileges at home. Every circle breaks at the touch of the king's hand.

This craving to index oneself off from others, by any mark that can be hit upon, is not very vicious, perhaps not always bad, but it is the essence of inequality and shows how rooted an instinct it is within us. I asked the head of a fashionable city school about the parents that brought their daughters to her. "It is," she said, "so unusual as to surprise me when a parent shows any other real anxiety than to secure for her child certain social connections. Education has no meaning except as it furthers this end." If this is snobbish, what is it for working girls' clubs to exclude household domestics? I have known Boston shop-girls at their dances to put up a placard marked, "No servants admitted." No

¹ *Sunday Herald*, October 7, 1900.

social group that can be named is free from this itching.

It is only when facts like these are faced without finching or evasion, that the failure of most Utopian schemes is seen to be inevitable until far more radical work has been done upon race habits. It has often been said that these failures have been caused by unwillingness to work. The records give the lie to this explanation in scores of cases. The shirking of tasks is but a partial and secondary difficulty. Deeper than this, and far more uniform and permanent, is the depressing fact that the members do not continue to love each other. On the first high tide of generous ardor, they rejoice in each other's company at all hours. They are eager to sit at a common table, and to share the products of a common toil, but this love-feast rarely continues. The most saintly among them are often the least manageable of all. A single passage from a private letter of one who had seen much of this community life throws an almost pitiless light on the entire history: "We all liked each other at first, as brothers and sisters should. But a very devil of ill will and suspicion began to show itself in the second month between Brother H. and Brother F. It began in a way so contemptible that I am ashamed to tell it. Brother H. had an ailing stomach and could not eat a certain sweet pudding served once a week. Brother F.'s great fondness for this dish so worked upon the feelings of Brother H. that he could not refrain from un-Christian remarks to those about him." This narrative continues in the same rare vein, but it needs no further quoting. Though only a sweet pudding, it

resulted in the sourest ferment for several others to whom it gave opportunity to vent their own ill humors. The incident is less frivolous than it appears, for it was merely an occasion to express feelings that in default of pudding would have seized upon the soup or the cut of the beard. Sometimes it is the manner of eating, sometimes it is too much or too loud talking, sometimes too little. Silence irritates as well as garrulity. Gossip, jokes ill-timed, low vitality in one, and buoyant health in another, humor here and lack of it there, romantic fervor in this member, and in another only gray matter of fact.

The result is the more easily understood because the personnel of these communities is naturally composed of those who had already become extremely critical of the old society which they found so faulty. They bring to the new society the same qualities that could not tolerate former associations. In the letter quoted, it is said, "We expected to attract queer people, but that there were so many kinds of queerness and that they could be so unreasonable, we had to learn by most disheartening experience."

These are but the oldest platitudes of race experience. The members of these Utopias were thrown too closely and too constantly together. If people like each other, they also dislike each other; if they are held together by attractions, they are also driven apart by repulsions, and space must be given for the selective process of both impulses—for antipathies as well as for affections. Unless the Buddhist and Catholic monasteries are thought to be satisfactory ideals of the equal life, there is no sign in the history of more than four hundred experiments, that a vigor-

ous humanity will long resign itself to any separate colony scheme that the wit of the reformer has thus far devised. People are driven together under conditions so narrow, with so much sameness, that the limits become unbearable after the first enthusiasm subsides. The test which every colony must meet, that sets itself apart from the great world, is to make the conditions of the community life so rich in variety, that the various temperaments can find room for activity. Not to do this, is soon to let loose every imp of petty jealousy and bickering that possesses the human creature. The commonest lessons from every almshouse and old ladies' home should have taught us this. That which now keeps these defects somewhat in abeyance is that competitive society, bad as it is, gives man leeway for his energy. The stronger the personality, the more room and variety is needed for self-expression. No one can look upon the Shakers without feeling that their community has merely selected from the outside millions a certain type of man and woman, kindly and docile, but for the most part destitute of virility. Men and women rich in strong personal character cannot be so cabined.

I have heard a kindly and intelligent sea captain, half his life spent in long voyages, say that the severest test to morals that he ever faced was with his own crew and passengers after two months at sea. "We became touchy, sour, and disagreeable for the most ridiculous reasons. I have been surly the entire day, because the mate said good morning, and surly another day, because he did not. On a four months' voyage; I have seen passengers act for days as if they loathed each other. When we had

escaped from the ship, and had been two days on land, we treated each other like human beings."

The saintly F. D. Maurice, riding in a London omnibus, over the jolting pavement, imagines the effect of smooth pavements (just being introduced) upon the friendly good-nature of the passengers. When the rattling ceases, Maurice fancies that strangers will catch eagerly at the opportunity of holding sweet converse with each other. The pavement has come, and one may ride a hundred miles upon it without observing the slightest general tendency to embrace the chance of neighborly intercourse.

When the passengers rush to fill our railway trains, do they try to get together? Unless with a friend or with one of their family, they apparently desire nothing so much as to keep apart in a separate seat, or in two seats if they can monopolize them. There is not the least eagerness to entice strangers to occupy the place beside them. The apart-instinct is as powerful as the together-instinct, and it does not become less so as society develops. The proprietor of one of the older Boston hotels told me that when he worked in a hotel for his father, a generation ago, men who had never seen each other made no objection to taking the same bed, or sleeping three beds in a room. "Now," he added, "half my customers would leave for another hotel, rather than submit to have their bed in the same room with another. Everybody wants to keep as far away from others as he can get." This does not mean that there is less good will among men than in more promiscuous times. The gay knights and ladies of the Rhine castles who ate with their fingers out of the same dish

and knew no napkins, were not more unselfish than the modern, who insists upon a separate plate. Separateness and apartness increase with every step in the social growth. Upon one side common functions, common wealth, common privileges, are enlarged. Parks, libraries, museums, vast educational facilities, are everywhere increasing at the same time that purely individual functions increase. The together-instincts do not develop more rapidly than the apart-instincts. No social scheme that fails to reckon with the ever widening variety of race energies has a moment's chance of success. The literary Utopias often avoid these stubborn realities by first destroying society in order to have the ground cleared for their own building, or they begin on an island or in some realm of nowhere, unplagued by complicated traditions.

Bellamy is unusual in this, that he pluckily takes up society as it is. Syndicates, trusts, department stores, furnish him with his best material. Develop them far enough and universally enough and petty individual enterprises will be wiped out, or gathered into these colossal undertakings that only the state can manage. But Bellamy's own material is dangerous in his hands, for the reason that it hardens in spite of him into a huge mechanism that fills many of his own persuasion with repugnance. The most picturesque incident, as well as one of the most significant, in modern socialistic thought, occurs for our instruction almost as soon as Bellamy's dream was fairly before the world. It came from a brother socialist, but one of far richer and more varied power than Bellamy possessed, the English poet and artist, William Morris. He, too, has the divine rage against the

competitive system. He, too, will destroy it, root and branch, but he is first of all poet and artist craftsman, vitalizing every hour with more intense and diverse life energy than any one of the famed group of which he was a part. Morris catches greedily at "Looking Backward," reads and rereads it, but is choked in its atmosphere. If one who called Bellamy comrade, who called himself a socialist, feels such acute aversion, as if cramped and stifed when he has to inhabit Bellamy's social fabric merely in imagination, what would happen to a nation with pulsing activity an hundred-fold more multiform than in any single individual, however gifted? ¹

It would be without excuse to linger at such length over the Utopias if they did not present both a theory and a practice of equality. In their literary form, as in their varied experimenting, they furnish inestimable material for judgment. They show us what men and women think about a certain kind of equality before they try it, and what they think after the trial is made. These experiments have gone on through many centuries and among many nationalities. They have taken widely different forms. At least twenty are struggling at the present time with the same hopes and the same embarrassments. I have seen the records of fourteen attempts made in Australian colonies. The three or four that now seem least likely to fail are so greatly modified by securing private property rights that they appear to set slight value on equality in its Utopian sense. The literal interpretation of equality has no logical completeness except in communism. Communism captivates at

¹ Both Bebel and Kautsky had the same feeling as Morris.

the same time the saint and the loafer. It offers to the imagination what the heroic are glad to give, and to the dead-beat what he is greedy to take.

As the socialist dialectic will always embarrass the advocate of the single tax, so the logic of the communist will harass the socialist, because he leaves certain forms of property still in private possession. To the communist, one form is as nefarious as another. I knew an apostle of unflinching equality, a French *égalitaire*, who was dedicated absolutely to his principles. The coat on his back, his writing-desk and books, the wife with whom he lived, belonged, he claimed, as strictly to another as to himself. "The principle," he added, "loses its greatness and its power over men if it is not harmonious and complete." The socialists, more than all others, roused his wrath, "because they pick and choose," he said, "like the stupid bourgeois, this or that fragment of equality, according to their taste."

In the extraordinary success of the great foundry (*familistère*) at Guise, in North France, Godin carried equality to the farthest limits consistent with the management of a great and paying business. His youth was fired with communistic ideals. Though rich, he lived in the same building with his workmen; but in their common theatre his family seat was somewhat apart and better than the others. In showing me this a workman said, "Godin was true to the great principle up to a certain point, but we never liked it that he did not watch the play from the same seat as the rest of us." This workman was in the theoretic stage. Godin was sorely plagued by the importunity of this type of workman, as those who have to apply theory

will always be worried by the unhampered critic. This is the chastening ordeal which socialism must undergo in the coming century, as it tries to bring us nearer the "reign of equal rights."

II

Realities

It was my endeavor in the last chapter to state fully and fairly the ineffaceable limits which experience has already drawn about the pettier conceptions of equality. The origin of many of the most startling inequalities is biological. To get born with certain qualities is to have many chances to one against the man who came into life without them. We all see that the sources of superiority are in the gifts that cannot be made equal. The mysteries of temperament, buoyancy, vivid imagination, prudence, charms of personality, tact, inflexible purpose, steadiness of self-control, and even physical gifts, like good digestion and ability to sleep, are qualities that lead men beyond the average of their fellows. To put the least check upon these distinctions (or inequalities) would bring a common and a grievous loss.

We have thus far neither the wisdom nor the moral courage to raise the questions on which these congenital superiorities depend. For a very indefinite future these deep sources of inequality will remain practically beyond our influence. These are difficulties, however, that in no way conflict with a larger and truer interpretation of equality. Because absurd claims to literal equality have been made, we need not spoil the discussion by continuing to repeat them.

Helvetius is still quoted as maintaining that one man's gifts (all privileges removed) are equal to another's. This is now known to be so wide of the truth that it is a poor shift for an opponent of equality to make much of such exaggerations, and thus divert attention from claims that may be rational.

The abler socialist writers — the Webbs, Vanderwelde, Kautsky, Malon — know the limitations of equality indicated in the last chapter quite as well as smart casuists like Mr. Mallock. They do not now ask for fantastic identities of gift or possession. They ask for a social and economic reconstruction that shall give new freedom for race development.

Our real problem, therefore, is to know how far opportunity to develop every gift is open to all; how far do artificial privileges restrict these opportunities to the few; how far does an imperfect social and industrial system handicap a portion of the people; above all, how does an unregulated competition select, stimulate, and strengthen individual qualities and social ideals that thwart a genuine equality?

When Mr. Webb says, "We want to bring about the condition in which every member of society shall have a fair chance to use and to develop the gifts with which he happens to be born," he is not putting in claim to an absurdity. When he asks for a democracy so broadly educated that it appreciates competence and its relation to the infinitely varied tasks of society, he only asks for what that very prince of democrats, Jefferson, called the "natural aristocracy." In writing to Adams (October 28, 1813), he says, "May we not even say that that form of government

is best which provides the most effectually for a pure selection of these *aristoi* into the offices of government?"

If the purpose is to try merely to see what heart truth there is in this dream, we shall admit that all external signs of equality, like dress, apartments, working hours, are not of primary, not even of secondary, importance. Indeed, as the discussion has developed, less and less stress is laid upon them, and that which has taken their place is indicated by vague commonplace phrases such as "equality of opportunity." It has no ultimate purpose that all receive the same material gifts. These, equal or unequal, exist for an end beyond themselves; that end is the largest, freest, and richest life of which the individual is capable. But who would claim that equal material gifts are necessary to this ideal? If the goal is a society in which all can live out openly and healthfully every faculty they possess, then "equality of chance" is as good a phrase as any to express the conditions that would make such life possible. Both of these phrases have become wearisome. Yet it seems impossible to fix upon better ones, if the purpose is to show what the ideal of equality must be.

For a great multitude in our midst, equality of chance is choked by all manner of obstacles. Here is the test to our honesty in the discussion. On the one side it is maintained that the average man always has his equal chance; upon the other, this is madly denied. To get at such truth as there is between these extremes of opinion is to see all that the problem can give.

Let us state again what is deepest in this unabating purpose of the demos. It is not for absolute or external equalities. It is not for any equality that will submit to nice measurement. It is for far *more* equality than exists. It is for as much equality as each is capable of seizing and using to his own and others' good. All will admit that justice halts until men and women in general do have essential equality in using their powers.

The Utopian stage has made it plain that external uniformities in every kind and degree are discredited. These are but the poor letter of social justice. Its spirit will not be without external tokens, but these will be lightly regarded. The spirit of equality will appeal to another order of evidence. It will claim as the imperishable right of every child born among us to have, as far as possible, the full and free occasions to live its best life. A society which should give this chance to all, would make the nearest approach to justice. In the light of this conception, we should straightway test our evils and our remedies. In its light we should ask what is now being done to bring these fairer results a little nearer. In its light we should seek to know what class now has this opportunity to make the most of life, and through what agencies so great a good has been attained. In its light we should inquire what class is hindered and why it is hindered from putting life to its best uses. Unerringly one can point to large sections of the toiling world whose first steps toward an ampler life are hopelessly barred.

Let us test this by the very simplest illustrations,

which show us a very fountain-head of quite unnecessary inequalities.

It is not yet twenty years since a careful investigation in Berlin showed that more than seventy thousand of her population were living in single rooms. It was found that the death-rate for this group rose to the appalling figure of 163.5 per thousand in the year. On the other hand, when families had three or four rooms, the death-rate fell below 20 in the thousand. This would excite only incredulity if we had not the same history in English and Scotch cities less than a generation ago. But the sociological significance of this ghastly difference is not in the mere fact of such a death record; it is as nothing compared with what that mortality implies. Colonel Waring believed that every one of these abnormal deaths stood for more than ten times as many serious and corrupting illnesses. A death-rate so unnatural implies degeneracy in the entire group. A mortality rate of 18 per thousand may mean a healthy community, but a community devastated to the extent of 163.5 per thousand is not only itself diseased, but a source of general social disorder, intemperance, crime, prostitution, and special forms of lawlessness.¹

Another illustration that finds its counterpart in every community shows how the first essentials of

¹ Professor Marshall says,* "The extent of the infant mortality that arises from preventable causes may be inferred from the fact that while the annual death-rate of children under five years of age is only about two per cent in the families of peers, and is less than three per cent for the whole of the upper classes, it is between six and seven per cent for the whole of England.†

* "Principles of Economics," first edition, p. 257.

† The terrible effects upon the family when crowded into small space may be seen in the first chapter of Graham Wallace's "Life of Francis Place."

equality are snatched from the weak, under our very eyes. It was noted at the Cambridge Associated Charities that a succession of destitute "cases" were traceable to a crushing indebtedness, under which the victim was staggering. An investigation begun in January, 1896, showed that in a few months over seven hundred loans had been placed among the poor, at rates of interest varying from 50 per cent to 120 per cent. The existing law was easily evaded by frequent transfers of the mortgage, the victim paying from \$3 to \$5 for every transfer. Of over one hundred cases carefully traced, a few examples will lay bare the enormity of the wrong: (1) "Twenty dollars were borrowed, from which \$5 were at once deducted for 'expenses'; interest charged \$1.50 a month (*i.e.* 90 per cent on \$20) or 120 per cent on the \$15 actually received. Paid \$73.50 in interest, after which mortgage was foreclosed, and furniture costing \$150 was seized and sold, the family being left Saturday night with nothing but a stove and rug." (2) "Thirty-two dollars borrowed. Interest \$2.50 a month. When the case was taken in hand at the office, \$54.25 had already been paid to the lender, who was still demanding \$18.50." (3) "Thirty dollars borrowed. Interest \$2 per month. This had dragged on until the wretched debtor had paid \$106, with \$29 more to pay."

Who can assert that these people had equality of opportunity, or that the heavy burden of their unequal struggle was a decree of fate?

These cases are very bad, but they are not the most extreme ones. If Cambridge is exceptional, it is in being freer from cruelties like these than the

average large town. The great city offers a spectacle of helpless entanglements of which the illustrations give but the slightest hint. Do these snared thousands have equality of opportunity? The first step toward it is barred from them by their ignorance, their poverty, and the habits which these have bred. The instance is the fitter for our use, because, like so many sources of social inequality, it is for the most part unnecessary. It is among the most hopeful of sociological discoveries that the larger part of these crippling conditions that make for inequality, is merely a social blunder. The child in industry, the truck store, a large part of the system of fining and "over-time," the sweatshop, the tenement-house evil, are one and all departures from the highest business standard. An honored Boston physician said at a gathering interested in day nurseries: "We used to think that almost any treatment was good enough for the babies of the poor. We know now that the best which science affords is even the *cheapest* for society." The vast material gathered in Germany, under the Sickness and Accident Insurance, proves that in final cash reckoning it pays to have the best appliances for the sick and the injured, the best medicines, the best physicians, and the best nursing. It is found that no extravagance is so wasteful as a skinflint economy. As a result of this splendid information, the whole standard of ministering to misfortune among the poor is being raised throughout the entire empire. The head of a great business in Elgin, Illinois, told me, "I have learned that almost all over-time work is bad management; all work beyond nine hours — before long we shall say eight — is a mistaken policy."

Among these evils from which inequalities spring, some can be stopped altogether, and all can be diminished. The hiring of money at seven or eight times the current rates cannot be totally extinguished. There is no way given to men of protecting all degrees of carelessness and ignorance from the consequences of their folly. No more evidence is wanting, however, to show that loan associations and municipal pawnshops may meet these needs among the poor, at less than a third of the average pawnshop burden, and with far greater safety and consideration for the borrower. The way has been made clear for an immense decrease in this special source of unequal opportunities.

What shall be said of equal opportunity for boys who begin their careers as described by the ablest factory inspector that Illinois ever had? "In many factories it is customary for the youngest lad to go to the nearest saloon, carrying a long pole with pegs in its side, and a tin can hanging from every peg. On the return trip the pole lies across the lad's shoulder, and the cans containing beer swing as he walks. He is paid for his trouble in sips of beer. The 'beer boy' is a part of the equipment in all large smithies, and, indeed, wherever work is done at an excessive temperature. The workmen, full-grown and able-bodied, and engaged at steady work, take their beer as food or refreshment. But they have no realizing sense of the effect on the little lad's growing body and mind of the sips which they give him.

"A far larger number of children form the habit of drinking from exhaustion. They work out of all proportion to their strength, endure the same extremes

of heat, cold, noise, dirt, discomfort, and exhaustion as the men among whom they work, and feel the need of something—they do not know what. The most accessible and instantaneous means of comfort is a drink, and the habit is easily and quickly formed. Even where boys are restrained from drinking by the fortunate habit of carrying home all their earnings, a practice widespread and beneficent, the exhaustion of the long working-day, heavy and indigestible lunch, and long journey to and from work, in all weathers, ultimately bring a craving for stimulants. And when a raise in wages comes, when the lad is fifteen or sixteen, it often happens that the old wage is carried home and the difference spent in drink. The example of the older men counts for much in this, but physical exhaustion counts for more."

I have already referred to thirty thousand homes, at least, in and about New York City alone, in which the sweated work of the clothing trade is done. The Tenement-house Commission, with the help of the most competent physicians in New York, has passed judgment on this type of home.

Dr. John H. Pryor said (November 16, 1900): "So far as I can learn there are in the tenement houses of New York City alone—not in Greater New York, but in New York City alone—there are constantly 20,000 consumptives; that is, considering all the stages of the disease. Nor does this show the prevalence of the disease in the tenement houses; because it is found by post-mortem examination of those dying from other diseases that very many of them have forms of tuberculosis also. So that I think the statement is perfectly safe that a majority

of the tenement-house dwellers in New York City have tuberculosis in some form. It is a disease quite distinctive of tenement-house life at the present time."

This is the situation which the consumer of these goods has to face. The Consumers' League long hesitated to lay great stress upon these aspects of filth and disease, because of their alarmist and sensational nature. The sober and authoritative testimony, before such a body as the Tenement-house Commission, of physicians and trained nurses of the highest standing makes it impossible for the League to withhold this evidence from the public. The menace to the great multitude of innocent buyers is so immediate and so grave that agitation should not rest until every buyer can have at the retail store an absolute guarantee that the purchased garment is not from a sweatshop or a tenement, but is made under conditions so open to proper inspection as to insure to the worker a tolerable existence, and to the home where the garments are worn immunity from disease.

Here is a kind of cheapness that means an early and decrepit age, an unfit parenthood with offspring that are to be mere vehicles of that stunted and wretched lineage which is the shame and peril of our common life. If the sweatshop spread diphtheria and typhus, there is the hue and cry before personal danger. But these diseases are the very slightest elements of the real risk to the general good. It is the spoiled human life with its deadly legacy of enfeebled mind and body that reacts directly and indirectly on the social whole.

Look again at the problem of child labor which the new economic conditions of the South have rapidly developed.

A perfectly competent committee has published a report upon this subject from which I quote a single page:—

“From 1870 to 1880, of those employed in the cotton factories, the number of men over sixteen years of age increased 92.8 per cent, the women over sixteen years of age increased 77 per cent, and the children under sixteen years of age increased 140.9 per cent.

“From 1880 to 1890 the number of men over sixteen years of age increased 21.8 per cent, the women over sixteen years of age increased 269 per cent, and the children under sixteen years of age increased 106.5 per cent.

“From 1890 to 1900 the number of men over sixteen years of age increased 79 per cent, the women over sixteen years of age 158.3 per cent, and the children under sixteen years of age increased 270.7 per cent!

“According to the official report for 1899 from the Labor Bureau of North Carolina, the state, represented by Colonel D. A. Tompkins, and the only state of the South presenting an official report upon labor statistics, less than 10 per cent of the operatives in the textile mills of that state were under fourteen years of age. But, according to the report of 1901, those under fourteen constituted nearly 18 per cent of the whole number. Of the total of 45,044 textile operatives, 7996 (shall we say 8000?) are under fourteen years, and the average wage of the child has decreased from 32 cents to 29 cents per day. (See page 212 of the North Carolina Report of Department of Labor and Printing for 1899, and page 187 of Report

of same department for 1901.) The daily wage of the factory children of the South is often as low as 15 cents; it is sometimes as low as 9 cents. The North Carolina figures also indicate that there, as elsewhere throughout the South, the number of little girls among the employees far exceeds the number of boys."¹

I have heard some disputing about the literal accuracy of some of these figures. It is claimed both that they are overstated and that they are understated. But no greater exactness of statement will modify the ugly meaning of the page. One has here, besides the manufacture of cotton, the manufacture of future inequalities on an immense scale—in ten years an increase of children in these factories, 270.7 per cent!

More than twenty thousand children are at work in these mills at the present moment. It is the opinion of some Southern investigators that one-third of these are under ten years of age. This means a heavy legacy of future inequalities. It is of course natural that from the poorer farming districts, families should flock to the factories for the higher wage that the entire family can earn. With no legislative protection, the deadliest form of the "family wage" is substituted for the wage of the natural breadwinner. If he have dead-beat instincts, he can lounge

¹ "The Case against Child Labor," an argument by Edgar Gardner Murphy of Montgomery, chairman of the executive committee on Child Labor in Alabama. The other members of the committee are Ex-Governor Thomas G. Jones, Judge J. B. Gaston, and Gordon MacDonald of Montgomery; John Craft of Mobile; A. J. Reilly of Birmingham, and Dr. J. H. Phillips, superintendent of schools of Birmingham.

at the saloon upon the money which his wife and children earn. One finds them in every Southern mill-town. It is under these conditions that every variety of a vicious truck system of wage payment springs into existence. One wanders about in some of these communities in a kind of dream, as if he had been spirited back into an English factory town of two generations ago.

A common argument to justify this great wrong is that as England had to pass through this stage so must the South pass through it. This is an excuse, it is not an argument. The very meaning of social politics is that it gathers experience for practical use in just such issues as child labor. There is no need that we should pass through all the desolating stages of that former experience. In the England of 1825 there was no precedent. Aside from the splendid achievements of the English acts and preventive legislation coupled with popular education, our own states, like Connecticut, Minnesota, and Massachusetts, have legal limitation as to age and compulsory school attendance which check these evils at their source. A competitor of Robert Owen, who pronounced legal interference with child labor the "maudlin sentimentalism of those who knew neither business nor human nature," had been making in the cotton business, according to his own admission, two hundred per cent in yearly profits. Yet he and his fellows held that they could not afford to dispense with child labor because that would drive business out of England. The Southern mills do not make such profits, but some of them make thirty per cent, and use the same argument that they cannot

afford to do away with the child's help, because of Northern competition. Northern capitalists have more humiliation in this wickedness than Southern, because the main issue has been long under discussion in the North.¹ Compulsory school attendance during the period in which employment is prohibited is now required in seven states. In every instance where this has been enforced, as in Massachusetts, there has been no difficulty in keeping children out of industries.

In Pennsylvania, in an atmosphere thick with black dust and vibrating with the roar of the crushers, one may see an army of breaker boys sorting the coal and picking slate. Hundreds of these children cannot be above ten and eleven years of age. The parents sanction a lying certificate of age, and the employers are indifferent. After three or four years at the breaker, they pass to the mine proper. Equality of opportunity in no conceivable sense belongs to these boys. If they had been born crippled or stupid, that inequality would be out of our control, but much of the handicap under which they now struggle can be removed. Three or four years of school at this age multiplies life's chances for every one of these youths.

Especial emphasis is here given to those instances that have to do with the child defrauded of its educational rights, because education in its best and largest sense carries the deepest hope of all ultimate attainable equalities. Careful training for one's

¹ The absurd differences in the standard of industrial regulation in our various states has this advantage for the student, that it enables him to bring into vivid comparison a score of conflicting policies.

tasks is two or three times more necessary than it was in times that old men still remember. Exceptional force will overcome these barriers with little or no schooling, but commonplace and average capacity, that has to-day scant and slovenly training, is disadvantaged as never before in history.

If we bring the least disposition toward fair interpretation, we may now see what the best spokesmen in the labor and socialist movement ask. As they frankly recognize the final passing away of the Utopian stage, as they recognize the uselessness of isolated colony schemes, their conception of social equality is no longer a visionary freak, but has as much soberness as most of our saner social ideals.

The "passion of the democracy" has the perfectly rational aim that is expressed in the term "multiply life's chances." It is a quantitative expression. No influence that society has at command could give complete equality to these breaker boys or to the child victims in Southern mills. Yet we can give a great deal *more* equality. If the reader wonders why so poor a platitude requires statement, the answer is that these simple facts are necessary to show that the best of our socialist critics are asking merely for these further steps toward the more equal life. They are asking for what all fair men admit to be a just and rational aim in social bettering.¹

¹ The question of equality could of course have no complete discussion without including the first practical purpose of a militant collectivism, — to socialize the means of production and to use the resources of a fairer system of taxation to strike at the present roots of economic privilege. These sources of inequality are, however, a part of the discussion in the entire volume.

CHAPTER VIII

SOCIALISM: HISTORY AND THEORY

THERE is no audience before which it is safe to speak upon this subject without careful definition of terms. The stock definition is the appropriation by society of the means of production. But if socialism is taken at its highest point of development, general definitions will gain in clearness if they are preceded by some reference to history, and especially if experiments now under trial are carefully considered.

Some one has collected "ten thousand definitions of religion." One could gather as many of socialism. The propelling thought behind it has so changed during the last century that one seems to be dealing not with one thing, but with many.

The explanation is that from the point of view of history, socialism has been a growth, reflecting upon one side social and trade conditions of the time; upon the other the ideals of the writer. These have changed, just as ideals have changed in education, in politics, and in religion. The socialism of the French Revolution differs from that of our day as the science and the politics of that day differ from our own. It is well to know something of this history, but to define socialism in the terms of these earlier dreams is misleading. Communism is as old as human society; socialism is essentially modern and

is hardly conceivable apart from the capitalism which created it.

Socialism is often defined as a philosophy, and so limited, it is legitimate to use large abstractions about equality, fraternity, and justice. These abstractions, however, fail us at the point where our need of light is greatest. That society should be just, free, and fraternal wins ready assent, but how is this splendid goal to be reached? Campanella, Bacon, and St. Simon, as Plato before them, tell us we have only to make the wisest and best men our political officials. This would be our plan also, but we are poor bunglers in carrying it into practical effect. We are now and then very eloquent about the good man's political responsibility, but are vexed to death to know the ways and means through which the wisest and best can be selected to govern us, and kept in their places. The difficulty has not been with the statement of principles, but in their everyday application. Thus socialism, in its merely philosophic aspects, leaves our hardest questions still unanswered.

Again socialism is treated as a religion. Poetic license here reaches its climax. We are told that socialism is "a life," that it is a "religion," that it is an "aspiration."¹ The difficulty with this phrasing is that it fails to distinguish its object from twenty others. If socialism is a life, a religion, an aspiration, so are Buddhism and Christianity; so is the Faith-cure; so are the Ethical Societies. These vague uses of the term are not more objectionable than it is to make socialism merely an affair of

¹ Proudhon said in 1848, "Le Socialisme c'est toute aspiration vers l'amélioration de la Société."

economic and business reorganization. It has its philosophy, it is a religion. To forget this is to deal not with a whole, but with a fragment. The truth still remains that for purposes of definition the economic and political aspects require special emphasis, because only through them do we learn *how* the blessings of a more equal life are to be secured. We need to know about questions of method and of practical procedure. For this purpose, at least a little history is indispensable.

I

History

For fervor of influence, French speculation is of the highest consequence. Napoleon said of Rousseau, that without him there would have been no revolution. The "later revolution of July" was directly influenced in its social aspects by the writings of St. Simon. Great business organizers like Leclaire, Boucicaut, and Godin were stirred to very brilliant practical achievement by the poets of social reorganization. It is yet true that these dreamers throw less light on our subject than the soberer thinking of English writers. Among French Utopias, that of Fourier is perhaps the noblest of all. No one ever saw the evils of competition with a keener eye or described them with a livelier wit. He sees that association must replace the coarse struggle of self-seeking. But the main part of his philosophy is a hopeless and discredited metaphysic. It is based on a theory of human passions. His "Theory of the Four Movements" attempts to explain how Deity

manipulates the social mechanism; how He divides the passions; how He classifies forms, substances, properties, and colors. To understand these systems, his disciples were to master impossible geometric theorems, "impassioned attractions and unitary impassioned series." No one outside an asylum would, I think, pretend to see the causal connection between this theosophy and any existing practical reform. No socialist now has anything to do with his phalanstery with its clock tower, one garret, one kitchen, and one cellar. We know that men and women generally do not like to live in that way.

There is that in Fourier's character for which the word "sublime" is hardly too strong. His power to sacrifice for an idea, his self-devotion, his tenacity of purpose,—dying of sheer heartache because the world would not listen to him,—all heighten our admiration of the man. His speculative plan was nevertheless fantastic. With the exception of Louis Blanc, this has to be said of all the French Utopians. The unfailing characteristic of these dreams is that they ignore the facts of industrial history. The imagination runs riot without a check from the stern facts of economic evolution. There is plenty of this visionary quality in Fourier's contemporary, Robert Owen, but this Welchman was trained from childhood under the severest business responsibilities. He dreams dreams; but no man in England was his master in managing a great mill. Owen was born into the kind of business organization which has created modern socialism. His own business triumphs were the triumphs of English capitalism; its life was his life. He is very dull reading beside

does create all vision, but he is far closer to the common-sense than the other. No form of socialism has forced socialism to leave its deadly effect in utopia for the humbler ground of reality. It is through this same experience that the form of continental socialism will be modified. Where business is still in its simplest form, nineteenth-century methods, in Sicily, alone should have much of Spain, the programmes of author's originality in the clouds as Cabet's "Voyage en Icarie" and his Morelly's "Code de la Nature." The skilled dialectic taste for resonant phrase, the to use, leaves distractions, the same hatred of slow His method is variation. As capitalism has rapidly development in larger towns of Northern Italy, it has which the doom is, but has made it already a different calendar. No socialism of the more primitive the uncritical imagination.

As one listens to industrialism has taken root in Germany, the methods have been reflected in this "scientific" during the last twenty years have with the same step, the policy of the English

The reason why Fabians themselves have changed their problem is that commonplace politicians with a more radical on her soil. It is a social programme.

seething with the why English tradition has exceptional in no other European country do processes through commerce so obviously determine political triumphant. It is a mirror in which one sees the and the steam-engine among landowners, manufacturers, develop, industry wars are to open or preserve markets the factory towns in no country have economists from by the laborer, even had so direct an influence upon capitalistic enemies. In the United States we have long

since learned that politics is mainly a struggle over these same competitive interests. Economic doctrine has, however, no considerable influence upon our leading politicians. The business pressure acts upon them directly and simply. The nineteenth century in England is invaluable for the student of socialism because this intimate association of business policy with politics throws light upon socialist proposals. Much of the earlier socialism was contemptuous of politics. All socialism that is becoming effective now enters the political arena with a very grim purpose to fight out its issues at the polls. Very important is this last century in England, because the most powerful of all socialist literary influences had its impulse and training there. Unless an exception is made of the "Wealth of Nations," no single work upon economics ever had greater influence than Marx's study of capitalism. In spite of all perversities, this "Bible of Socialism" has aroused and directed revolutionary socialist thought during the last quarter of a century that has been its transition from capricious speculation to a great and threatening political force. This study was made in England. Marx drew his material from parliamentary records and from discussions that centred about the rising factory legislation. The most telling of those principles that are used to carry war into the capitalist camp were taken boldly from English economists of the first rank. Every essential of the famous theory of "surplus value" is of English origin. The conception that "labor produces all wealth," was an economic commonplace of the earlier English school. The socialist takes the economist at his word. "If labor

the clearest headed among the socialists have come to disbelieve the forms in which he expressed it. They admit that labor does not produce all wealth (even as modified by Marx), they admit that labor is not held to the "mere subsistence line," but may get increased wages and added comforts. They are learning that Marx's conception of concentrating capital is more than doubtful in agriculture and is sharply limited in many other industries. His whole materialistic view of history is denied outright by many of the best-equipped socialists. But socialism has not been discredited because of this passing of the master. Nowhere do socialists, who have lost faith in the special theoretic forms of Marx, show less loyalty to the cause or less hatred to capitalism. They still believe that labor is exploited, and that the wage system is vicious. Behind this belief is still a theory—a theory which may easily be stated in copy-book form, but for the purposes here in view, a variety of illustrations that are happily at hand from a dozen different fields, will throw more light even on the theory.

Perhaps the most persistent and universal demand of socialism is that labor should receive the entire product, not of course the manual laborer alone, but all those as well who organize, direct, and invent. This does not, as popularly supposed, include the capitalist. The capital *as* capitalist is money lender and not worker. The working employer so often at the same time furnishes capital that worker and capitalist are confused. Socialists object, not to the worker, but to the money lender buying and controlling machinery and land for his personal profit.

Competent critics of socialism like Dr. Menger hold that this claim of labor to the total product is, not only the most fundamental principle in socialism, but the most revolutionary force of the present age. Even if true, so abstract a statement as the laborer's claim to the total product leaves our most important questions unanswered. What theoretic justification exists for this claim?

It is that as industry is now organized it gives back to the worker far less than his labor has produced. The reason of this is that an enormous unearned increment is perpetually abstracted in the form of interest, rent, and profits. Those who depend solely upon interest, rent, or profits from their machinery are, according to this view, living upon income that is earned by others. Henry George and his followers have popularized this view, so far as it concerns the rent of land. George held that rent derived from land was income that the owner did not earn. Rent, he said, arises from the growth of the community, not from anything the private owner does. Rent is wholly a social product, and should therefore go to its creator, the community. George was not a socialist, because he did not apply this theory of rent to interest and profits. These he would leave as private possessions. The socialist believes that not only rent, but interest and profits on goods made for the market are also a social product. Quite as much as rent they represent an unearned increment. They, too, are social rather than individual products, and should therefore pass to their owner — society.

But what theoretical defence can be offered for the social origin of wealth as distinct from the individual

origin? In what sense can it be said that the community helps the millionaire to create his fortune and possibly the larger portion of it? The answer of the collectivist is that an analysis of practically all the great fortunes will show that the possessors earned, by personal service, only a trifling part of their millions. Ground rents heap up the treasures of the New York Astors. The elder Vanderbilt lays the great railway into the West; but the social additions—lands, city terminals, and crowding population—enrich it with values far beyond any service that any one person can render. It may be oil, gold, copper, iron, coal, coupled with special transportation privileges cunningly secured through the politician; it may be a privilege like rebates wrung from a corporation like the railroad which is semi-public and social in character. The collectivist insists that every one of these dazzling incomes can be traced to an origin that is far more social than individual. To keep and to restore this social increment in all its forms is the aim of economic socialism.

The department stores also offer a good illustration. As in Chicago, Boston, and New York, these stores are geographically so related to the machinery of transportation that the multitude is deposited at their very doors. Of a great Chicago firm, I have heard it said, "It seems as if the trolley cars were made for that store." It and a dozen others are so grouped that every form of transportation is to their immediate gain. If more trains run, if they run more rapidly, if fares are lowered, the advantage goes automatically to these emporiums of trade. Every extra franchise that the city grants adds to

their possessions. It is the dawning realization of this that begins now to create dislike of these caravansaries. When a lower street-car fare was proposed in Chicago, an unexpected opposition developed among thousands of people who said, "Cheaper fares and then just so many more people will ride to the State Street stores. Towns near Chicago oppose excursion trains because they see that those who return, are loaded down with things bought at the great stores. Some one has called steam and electric transportation "the most revolutionary fact in the last century." It makes the New England farmer poor, but fills the department store to overflowing. I heard an attorney, who does the business for one of the largest of these institutions, say, that when the people came clearly to understand that every improvement in streets, sidewalks, and traffic was a free gift to the department store, they would subject them to heavy special taxation.

The socialist theory is that the prosperity of these stores is in large degree owing to this network of improved inventions which brings customers so easily to the counters; it is owing to the growing population which steam and electricity have gathered together. This view carries George's theory of rent on to profits as it also extends it to interest.

This theory of the three rents is expressed in many forms, as when Schaeffle writes, "The Alpha and Omega of socialism is the transformation of private and competing capitals into a united collective capital." Or the English Fabians, "Socialism means the organization and conduct of the necessary industries of the country, and the appropriation of all forms of

economic rent of land and capital, by the nation as a whole, through the most suitable public authorities, parochial, municipal, provincial, or central."

Whatever form the definition takes, there is to-day no clearly conceived socialism that does not aim first of all at the socializing of the "three rents." If socialism were to triumph and be carried to logical completeness, no individual could draw a penny's income from interest, rent, or profits. These would pass to the community. That they may pass to the many, rather than to the few, is the reason why in all these programmes the same demands are made. The state must take the railroad and the telegraph, as eventually it must take the mill and the factory. The city must take the lighting and the street-car lines in order to divert earnings from the private to the public pocket. The socialist would have the community carry on these enterprises so that accruing interest and profits may become the property of all, or managed (as we were recently told by a high official from New Zealand) strictly for the use of the people with no thought of making profits. "We hope," he said, "to manage our railroads, our mines, our insurance companies as you manage your post-office, solely to serve the whole people and not chiefly as profit-making machines in which a small minority of the people can invest their surplus in order to become coupon-mongers."¹

So to organize industry that the coupon-monger in every form shall be suppressed is the *raison d'être* of socialism. It stamps this occupation as that of the

¹ Chief Justice Clark of Tasmania now in this country (Nov. 1902) gives unqualified approval to this general policy.

parasite, or, in rougher terms, the real dead beat of modern society is to the socialist, not the tramp and petty sponger, but those who live upon rent and interest-bearing property.

Only a part of the socialists now hold to the logical consequences of this theory. If forced to the letter, no woman could use her sewing-machine to make an apron or shirt for sale on the market. She would become, with the rest of the parasites, a profit monger. A Massachusetts socialist, twenty years ago, was cocksure that he should live to see the big stores in Boston swallow up practically all the little ones. Since then every variety of small local store has so increased that it is doubtful if (per thousand of the population) there was ever so large a number in the history of the city. The tenacity with which small, freely competing businesses retain their hold has made it clear that an enormous part of profit-making services is here to stay for such an indefinite future that all opinions about their duration have as much value as most fanciful guessing about the unknown.

Thus the cannier socialists direct attention to those fields upon which competition has given place to combination. Here especially, if monopoly character is shown, is the harvest white for the socialist sickle. At this point many economists, refusing the socialist creed, are in heartiest agreement with it in one respect. They admit that these monopolistic combinations may draw away from the people in form of profits far more wealth than is their due. This may be done by business chicane as through overcapitalization; it may be done through political influence that

secures special privileges, like rebates that weaker competitors cannot secure. It is for this whole class of large enterprises, based on privilege and monopoly of some kind, — businesses in which competition has passed into the stage requiring control in the public interest, — that many socialists now ask public in the place of private ownership. As other industries one by one reach this stage, they too are to be taken from private hands.

That so many collectivists now confine their claims to this part of the industrial field raises a nice point for speculative discussion. Does the term "socialist" necessarily apply to one who believes that only that part of industry is to be "socialized" which reaches the stage just indicated? If one believe that the larger part of the world's work is to pass into "combinations" that cannot long be trusted in private hands, the word "socialist" properly belongs to him. If the greater portion of industry — the "pace setting" part of it — is to be publicly controlled, the word "socialism" would fitly characterize such a society. If, on the other hand, it should prove that ponderous organization can cover but a portion of the field; if it prove that a still larger portion of industry still remains in open competition, "socialism" as a blanket term cannot be applied to that society. It will have large and vigorous socialistic functions, but others, larger and more vigorous, that are individualistic. If competitive and relatively small industries are to remain the "pace setters," individualism fairly describes that condition. If again it turn out, as is not unlikely, that the industrial world reach a kind of equilibrium under which competitive and individualistic energies

gifts, it will surely be one — unless the race deteriorates — in which liberty, variety, and individuality shall have progressively freer scope.

Whatever may be said of the "new socialism" with its opportunist yielding to larger experience, the socialist with a formula will neither get nor deserve in the future very serious attention. A universal formula, like that of "the three rents," will fare no better than the others. As the dialectic of the artistic passion destroys every distinguishing phrase between socialism and individualism, so science, in its enlarging applications, may extend the régime of private property holdings in which interest, rent, and profits in a thousand small industries may prove more fruitful to society than if they are socialized. It is no longer a mere hope that power may soon be so widely and cheaply distributed as to give distinct economic advantage to a large variety of small industries. When a better manual and art training has become a part of our entire education, so that no child shall escape its influence, artistic industries, experimental and individualized, are not unlikely to spring into luxuriant existence. The probability is exceedingly slight that this movement will carry with it an elimination of private ownership in the individualistic sense. Nor will it be different with the whole inspiring promise of agriculture when science has really vitalized it. Then will work in the fields and upon the soil have the fascination of the studio and the laboratory.

A former member of the New Zealand government said in this country, "We mean to organize all our great industries more and more so that they shall not be used to make individuals rich, but every advantage

of cheaper service or cheaper products shall go at once to the whole body of the people." I know of no completer definition of socialism than to say that any country in which all the important industries were carried on upon this principle would be a strictly socialistic society.

No source for illustration of this theory is fairer than that which New Zealand and the Australian colonies offer. Here is a people with self-help traditions like our own. The country is relatively new, has exhaustless natural resources, has won a great prosperity, yet the state invades, one by one, the fields where private enterprise has been supreme. Not only are railroad, telegraph, and street car under community ownership, but also a very different order of undertakings, state banking, life insurance, loan funds for farmers worked through the agency of the post-office. Coöperative sugar mills, cold storage, irrigation, the exportation of products, coöperative use of workmen with the avowed purpose of eliminating the contractor, are instances of government entering the field of private enterprise, organizing and carrying on business, not first to make money, but to serve the people by managing these various agencies directly for their benefit. I do not maintain that it is done with signal success. A good deal of it appears to me to be poorly done; but the object is socialistic, showing us by illustration how the collectivist word becomes flesh. It is, moreover, very conscious of its aim: to narrow the margin of enterprises in which rents and profits go to private persons. By so far as the government acts in these affairs, the field for private money making is diminished. A responsible

minister of the government says, "We propose to use the full power of the state to lessen the sway of the private capitalist."

The prime minister of New Zealand is taunted with frightening private capital out of the coal business. He replies, that the government will before long work its own mines. The minister of railways points to the advantage of having no stockholders to whom dividends must be paid. Another official glories in the fact that the abuses of the Stock Exchange are diminished in direct ratio as government does business for the people.

From the socialist point of view it is an irreparable debauching of the people, so to organize industry, that dividend-bearing stocks shall be listed by the thousands upon the Stock Exchange of every city and town. This is a necessity of a dividend and profit-making régime. The "dead-beat hunger" of the race to get something for nothing is thus aroused and a pernicious speculating fever spreads among the people. Honest investments, it is maintained, play but an insignificant rôle in this vast gambler's game. I asked a New York stock broker what difference it would make in his business if he did business only with those who came to invest. He said, "I should perhaps do one-tenth of the business I now do." Mr. Carnegie's opinion ought to be very valuable on this subject. He has just used these words: "All pure coins have their counterfeits; the counterfeit of business is speculation. A man in business always gives value in return for his revenue, and thus performs a useful function; his services are necessary and benefit the community; besides, he labors steadily in develop-

ing the resources of the country, and thus contributes to the advancement of the race. This is genuine coin. Speculation, on the contrary, is a parasite fastened upon the labor of business men. It creates nothing and supplies no want. When the speculator wins, he takes money without rendering service or giving value therefor; and when he loses, his fellow-speculator takes the money from him. It is a pure gambling operation between them, degrading to both."

All that is true in these charges, the socialist holds to be now inevitable. If these natural treasures are open to every adventurer to be fenced off as a field for private exploitation, they will be made an agency to play upon the fortune-hunting instinct of the people. For every honest company, a score of bogus ones will be put upon the market and tempt the unwary by lying prospectuses in the press. The remedy wanted is state ownership with such regulation as shall secure these riches to the public, and so order this industry as to prevent its becoming the most perverted of lotteries.

The socialist sees again the swift and sickening waste of our forests. The private profit maker, eager for quick gains, lays the great hills bare, with no concern for flood or drought. The socialist insists that the public welfare is too much endangered by the dividend and profit hunter in this field. When the state owns the forest or subjects private ownership to the strictest regulation, the devastation ceases. Forest culture is then like the growing of any other crop, only with slower returns.

In the mining of precious metals and with the forests, according to this view, one only sees a little

more clearly the damage incurred through the individual appropriation of the "three rents."

English Fabians now ask for the municipalization of the drink traffic. There are moral dangers connected with this trade which distinguish it practically from ordinary industries, yet it illustrates admirably the socialist theory. In Norway and Sweden it long since came to be believed that individual profit-making in the retail liquor trade was socially dangerous. Legislation based upon the principle of local option now turns profits, formerly made by the individual saloon keeper, into the public treasury. Under the "Application of Socialism to Particular Problems,"¹ English socialists now advocate this principle in their own country. As they would municipalize water, gas, tramways, docks, pawnshops, slaughterhouses, and bakeries, so they would turn the dividends now made by the private venders of intoxicants into the town treasury.

These instances of drink, forests, and mines differ only in degree from other industries that constitute a source from which the individual may draw income in the form of rents. Evil inheres in every transaction that bears this unearned income of private dividends. There is no completion of the socialist theory until industry is so managed by the community that interest, rent, and profit are "socialized" — are turned from private into public possessions. It is the socialist's faith that until this is done, a portion of what labor earns will go to those who have given no equivalent for it. To restore his unearned income to the whole people, the means of production — land and

¹Tracts 85 and 86.

machinery—must pass to social ownership. The conservative cry against all this is that “it destroys private property.” If it were charged that certain *forms* of private property would be destroyed, the criticism is just. There is in theory no destruction of private property further than that involved in these “three rents.” A hundred forms of property (slaves, highways, toll-bridges) have changed and must change with advancing civilization. Communism in all its extremes destroys private property outright. Socialism safeguards it to the extent of giving absolute rights to the individual over all products that he can hold for consumption. It is legitimate for the critic to urge the practical objection that social control of land and capital would dull the working ardor of the race, and thus create a product so diminished that both private and public income would suffer. This as a practical result might prove true. The socialist theory on the other hand assumes that the industrial product would increase when “the tools were again in the hands of the people.” Up to date there is alarmingly little proof of this, but it is a strictly practical issue and can alone be determined by long and severe tests in administrative work. Before dealing with the collective principle at work in its most advanced form, two questions should be asked, neither of which admits of a too final and confident answer.

(1) Are the economic and political forces now at work bringing to the broad mass of the people such wages that they will feel themselves gaining absolutely and relatively in the varying prosperity of the age? A strong case can be made out in nine-tenths

of our industries to show that the wage earners' yearly income purchases an increasing share of life's comforts. But *relatively* do the masses gain in any such ratio as the more favored classes? There are many statistical attempts to prove this, but I have nowhere seen a sign that it carried convincing proof to the laborer. There is a very general admission among them that they do gain in nominal and in real wages. Among those who make this admission, there is an absolute scepticism about a progress that stands in any fair relation to the acquisitions of the well-to-do. I have heard the best statistical authority known to me in the United States deny that relatively the masses get anything like their fair share.

If, then, it should slowly become clear that a widening gap is opening between the "rich and the poor," most of the points I have tried to make against the older revolutionary socialism lose their force. I do not believe this to be true, but if it should prove so; if the gulf is deepening between the "haves" and the "have nots," we are upon the dizzy edges of a class struggle and a consequent revolution. It is blankly inconceivable that we can rapidly democratize education, as we are now doing, and at the same time have it visibly appear that, in any real sense, the rich are growing richer and the poor poorer, without a desperate social struggle. A social system that made such a result possible would stand self-condemned before all fair men. To destroy it or remodel it would become the most sacred of duties.

(2) It must also be admitted that if the principles of "regulation" prove too weak to curb the power of the corporations, the socialistic propaganda will

take on bolder and more ominous forms. There are very unhappy indications that many of our commissions, whose function it is to "regulate" corporations in the public interest, either have no real and commanding control, or they merely protect the investor.

The Interstate Commerce Commission has done its best for years to "regulate" the railways; to check the manipulated special privileges upon which colossal private fortunes have been built in this country. Year after year the reports of this Commission betray its helplessness either to get right information or to get adequate power to produce results for which the Commission was established. Will the grant of further powers so fortify this body that it can do anything which the railroads are unitedly determined shall not be done? The picked skill and talent in the law is theirs; national and state legislatures are filled with able men to do their bidding.

Other corporations, according to their strength, have the same weapons of defence. If the thing to be regulated prove more adroit and masterful than the regulator, the alternative of government ownership will appear natural and inevitable. It will be said that, with railways in the hands of the government, the highest legal skill and ability may there be used to defend the public. I once heard a German economist ask the question, "How can you in the States help having great difficulties as long as private interests are so overwhelming that they command nine-tenths of the best lawyers? You ought," he said, "at least to have such a balance of public business (like railroads, telegraphs, etc.) that you would have

as many strong lawyers to fight for the public as there are to fight against it."

Whatever is thought of the merits of this argument, it will carry weight in proportion as the inefficiency of the regulative principle becomes clear. On the other hand, the possibilities of "regulation" have had thus far no real test. Only half-hearted beginnings have been made. As its need becomes a life-and-death matter, we may meet it with requisite seriousness and strength. We get much comfort by repeating, "If the emergency is startling and grave enough, the American rises to the occasion." This has been so true in the three or four greatest crises of our history, that our resources may not fail us in this last trial of our good sense. Before we topple over into a socialistic community, the principles of regulation will be put to full trial, nor can their promise and adequacy be determined, apart from the possible coöperation of our strongest business men. Within ten years many of them have learned that affairs of great magnitude are to be henceforth carried on in an entirely different atmosphere of public opinion. They know that they are to be held to a new accountability.

I have heard this opinion from a man, not quite to be classed with the half-dozen giants, yet commonly associated with them: "Whether we want to or not, we shall be forced to do business in a new way. I think we do it now in the public interest, but so many people do not think so, that we shall have to take that into account. With this socialistic spirit of discontent everywhere growing, we have got the hard task of proving to the public that we can manage things better than the government or the city. If we

can't do that, our day is done." Given enough of that feeling with the purpose to act upon it, and the regulative principle has many added chances of success.

The great issues are thus seen to depend in larger degree upon the moral and intellectual character of our most masterful business men. No "regulation" can hinder them if they are bent alone on personal gain.

There is no conclusion that does not halt before this inquiry as to the future conduct of our business leaders. If social responsibility is flouted, nothing can stay the progress of a turgid and dangerous political socialism.

Yet it can be shown that socialism may develop so safely as to become simply the advanced political radicalism of the time—a radicalism that must stand before the people on its merits as a social servant. If it can bake our bread, weave our cloth, mine our coal, and manage transportation with more efficiency and less corruption than under the private profit-making system, the public will be the gainer; but we shall not take the promises of socialism without performance. We shall watch its attempts to light a city until we are convinced that it can do it, without leaving a burden of taxation on the public to eke out slovenly management and a depreciated plant. Nine-tenths of city and state business is so imperfectly done that the public is right in demanding proofs and strict accounts from this new stewardship.

Its tasks are of incomparably greater difficulty than the book-makers would have us believe. In our own case, for example, if the government take the railroads, it will have the quite appalling duty of fixing rates for

competing industries in different sections. It will have to do this *in politics*. Those in Congress who represent the fruit industry of the South and the fruit of the far West, must struggle before committees in Congress to get advantages, or prevent competitors from getting them. This has plagued the German government more seriously than the public has been allowed to know. These political difficulties are a profound weakness in Australia, as they would prove with us. It is fair to reply, "But the railroads are in politics already, and that in the most secret and irresponsible ways; the state would have to control them politically, but at least all the chicane and blundering would come out before the public."

The answer is not without force. I have known two citizens, with large private interests in their respective cities, take their place in the city council. After two years both refused reelection. One said: "It's not worth while; most of the time is taken up with petty contests and political trading. There is so little relation between anything that I can do and the larger public concerns, that I shall never advise any one with important affairs on his hands to waste his time as I have done."

The other said: "I gave it up because I found why the strongest men in the city are indifferent to city politics. It serves their private interests to have a poor and purchasable city council. They know that it is poor and wasteful; but directly and indirectly they make more money by using politics to defend their private interests."

Students of socialism have long said that this "apathy of the eminent" would continue until those

larger businesses based on franchises passed into the hands of the city. "When the whole business of managing the things that touch us to the quick—gas, electric lights, water, street cars, etc.—has to be done at the City Hall," then, urge the socialists, "every imperfection and dishonesty will so strike at the pockets of the citizens, that they must perforce see to it that able and honest men alone are intrusted with city affairs."

I have heard this opinion from a German mayor in a town that owned meat markets, gas, telephone, water, and street service, "The citizens cannot help attending to their political duties, because bad management would cost them too much and subject them to such inconvenience."

It is considerations of this character, together with the broadening experience of European cities, that make it impossible to shirk the ordeal of thorough comparative tests. It is to these tests that we must henceforth trust rather than to any *à priori* pretence of speculation as to what the city and state can do or cannot do. No trial of these different administrative experiments could be fairly made until within very recent years. Both trade unionism and socialism had to pass through stages of the severest discipline and experience before any adequate comparison between socialistic and private-profit methods were possible.

These changes have now come. It is my contention that they offer to us, as a people, a perfectly fair chance, (a) to use the stupendous force at work through the aggregations of labor in ways that shall make these bodies more and more conservative of every social value consistent with a growing democ-

racy, and (b) to prepare ourselves for an oncoming socialism, so that it, too, shall become an aid rather than a hindrance to a more decent human society.

As socialism has been commonly conceived, I do not believe it brings an answer to a single one of our deepest life questions, but on the outposts of its development it is undergoing extraordinary transformations which we shall see at their best in France.

CHAPTER IX

SOCIALISM IN THE MAKING

EXCEPT for many unhappy experiments of Utopian character, socialism until recent years has shown no trace of positive and constructive workmanship. It has been the critic of the existing industrial order. If it had rendered no other service, this activity of relentless censorship would justify it. Much of the best social legislation on the continent of Europe is traceable directly to social agitation. Bismarck was blamed for making the admission, "If there were no social democracy, and if many were not afraid of it, even the moderate progress which we have hitherto made in social reform would not have been brought about." The greater part of socialist energies is still critical, and in this sense negative. The days of the mere fault-finder are, however, numbered. This change marks an epoch in the history of the movement. So long as it played the part of caviller, it took no responsibilities, nor could its pretensions be tested.

Within the brief period of five or six years it has become possible to apply a new and far more searching criticism to socialism. So long as it was a mere dream, so long as men felt it only as a hope, so long as it remained in the realm of theory and speculation, the only weapons that could be turned against it

were as unsubstantial as any that socialists themselves used. The patronizing strictures of the practical man were as airy and doctrinaire as any claims put forth by Marx, Jules Guesde, or William Morris. A library of books and pamphlets has been written to show the limits of human nature, the limits of corporate capacity, the limits of what the city or the state may legitimately undertake. Time and events have not dealt kindly with these opinions. Corporations now perform hundreds of services that earlier writers thought altogether beyond their scope. States and cities organize and carry on enterprises so various that the older theories, "what the state can do and what it cannot do," are very queer reading.

As long as social innovators were making fancy sketches of a perfect society, criticism was scarcely less fanciful. When the dream period passes into experiment, the possibilities of critical observation first appear. A stage of socialistic development has now been reached, concerning which one may form as distinct a judgment as upon the results of the weather bureau or the sloyd system of education. Socialism now enters upon the formidable task of social reconstruction. One may roughly mark four stages in its growth. It was long Utopian, then under Lassalle's guidance it became political, passing thence into state and municipal activities that are strictly socialistic. This third stage is strangely enough nowhere the work of socialists, but of Tories, political liberals, or military governments. Its final form is to unite politics with coöperative business, as in Belgian cities.

At the point where socialism begins to show itself

a force to reckon with in politics, its positive influence begins. We can measure it by the compromises and concessions wrung from the party in power. The years immediately following the Franco-Prussian war mark the rise of its political influence in Germany. The law of 1884, which permits the trade unions to unite, marks it in France. In Belgium its extraordinary career had an even later beginning. Socialists now sit upon the councils of more than a hundred towns in France, and many of the communes are politically controlled by socialists, subject to the veto of the prefect. This veto represents the grip which an extremely centralized government has upon local administration. Although the suffrage is practically as free as in the United States, the limits are very narrow within which a town council can introduce a change of policy. I have tried in many cities to see what socialistic steps have actually been taken. With two socialists in the government and nearly a million votes, actual performance is singularly lacking. Here one finds a drug store taken by the city, "to be run not for the enrichment of the petit bourgeois, but for all the inhabitants." There it is the city printing, the elimination of the private contractor, or a pawnshop in exact imitation of those long existing in most of the French towns. Again, the city is bread maker or the supplier of milk.

Grenoble owns a restaurant which furnishes daily more than twelve hundred meals. The city owns the land and the nine buildings upon it. That the competition may not be unfair against private eating-houses, rent is paid to the city, but the element of profit to any individual is eliminated. If at the

year's close a profit has been made, it goes to the city treasury as a reserve fund to be used when the price of foods is exceptionally high. It is thus run strictly upon socialistic principles for social use and not for private profit. With the exception of the restaurant at Grenoble, all this is the result of socialist activity during the last fifteen years.

The first surprise is to find how different the experience has been in large towns, like Roubaix and Lille, from the calculated municipalization of German and English cities. A score of these show an extension of city functions far beyond all that has been done in French towns that have for years had socialist mayors and a socialist majority upon the town council. The government veto accounts for much of this backwardness; but the bourbon character of the French socialism, its abstract and uncompromising quality, accounts for more. The haughty disdain of the Latin collectivists to work for modest social improvements with any human being who is not of the true faith, still confines their activity to fields that bear at best a stunted fruit.

The most sober and restrained statement one could give of the party activity down to the last congress, would be largely the description of feuds and brawls of almost incredible character. The party led by Jaurès and Millerand, a member of the cabinet, has reached some steadiness of constructive purpose. It has learned that coöperation with other social agencies is a necessity. In this spirit, Millerand entered the Ministry of Waldeck-Rousseau. The storm at once broke over the *cas Millerand*. In this consent of a collectivist to work with a bourgeois government, the

other socialist parties see only a sinister attack upon the sacred principle of the class struggle. The discipline of events and the increasing influence of men like Jaurès will in time cure this doctrinaire folly; meanwhile we have to look to the humbler work within the commune to see the completed picture of socialism in the making.

In most towns I asked the mayor or his secretary what had been done to realize the socialist ideal. Many communities have had from eight to ten years' experience with collectivist administrators. The first and often the paramount occupation has been to vote larger budgets in favor of the poor. Sometimes the aged poor in almshouses are given new freedom with an extra stipend for pin money. Sometimes it is to build a new *crèche* or enlarge the older ones. If mothers had previously paid small sums, this indignity is omitted. Often a large sum is voted to feed school children. I never could find an instance in which it was even claimed that any considerable thought or care had been given to distinguish between those who could pay and those who could not. It appeared to be assumed that every workman who could pay for his children's food, would do it from native self-respect. It was invariably with an air of triumph that you were told, "The bourgeois spent only 50,000 francs on the poor, but we spent 150,000." In Roubaix the secretary said, "We have given ten times as many pieces of clothing to the poor as the bourgeois ever gave." This was considered final proof that the socialists were introducing a superior administration. The same pride was shown in raising the pensions of "socialist soldiers"; in paying the car fares of certain

city officials; in voting grants to the theatres and free medical attendance to a larger proportion of the poor. It was thought a disgrace that the needy should have to go themselves for their free bread. It was therefore voted to deliver the bread at the door. These are strictly fair illustrations of what has been attempted in a large number of communes. It is for the most part an extremely loose and promiscuous form of out-door relief.

The visitor is allowed to take copies of the weekly *Bulletin Municipal Officiel*, in which the acts and deliberations at the City Hall are given to the public. At St. Denis I was permitted to take an entire file of copies from the first issue on April 5, 1891. The single impression which these bulletins make upon the reader is that of a very raw attempt to catch the working-class vote by giving away the public money. If "Citoyen Oudin" has died, the vote of the city council, giving the widow 100 francs and a monthly pension, is printed. It is added: "Nothing of the old secrecy is now tolerated. In a democratic society all things must be open to the public eye." In two instances the socialists had organized a service for widows with small children that is a model of humane good sense. It was wisely assumed, unless the family was to be broken up, that all the mother's strength was due to the care of her little ones. She was thus allowed a monthly pension, which she could supplement by home work. It was distinctly understood that the widow was in no way classed with objects of charity, but received her pension as the soldier receives his, without loss of self-respect. "For cases of this kind," said my socialist informant, "we

the poor, told me: "We have got to go a good deal farther than the bourgeois dared to go. If a man can work and won't, we shall put him in the compulsory workshop where he can be taught, or, refusing that, he shall not be allowed to escape." I asked why his constituents made such bad work of it. "Oh, you know everybody is crazy, one way or the other, on that subject of caring for the poor; we have all got our lesson still to learn."

This chief effort in the collectivist communes has, thus far, been to reorganize "public assistance." Its lack of success is explained by the theoretic stage which still holds a large part of the French socialism. They approach this hardest of practical problems with sonorous sentences from Rousseau. Before the election they placard the town with sentences like these:—

La faim, c'est le crime public,
C'est l'immense assassin qui sort de nos ténèbres.

They announce that "girl mothers" shall be freed from all disgrace; that every badge and stigma of misfortune shall be removed; that "we do not care to know how the misfortune came, but only if it has come."

One need not deny that much nobility of motive is expressed in these sentences, but they should not mislead us into thinking that the actual work of social and individual reformation is even *begun* by such resonant paragraphs. Real performance is still before them. The socialists complain bitterly, and with much justification, that the veto power of the government is so used against them, that they are left with this hard-

est of all problems, as if the purpose were to discredit their work before public opinion. But the real weakness is in their own lack of political and business discipline. The spell of abstractions is still upon them to such extent that personal wrangling over "great and sacred principles" makes it almost impossible to get through a congress that brings the five parties together. A Belgian socialist, as successful in business as he was in parliament, once gave me letters of introduction to some of his friends in France. He added: "Our socialist brothers over there are still in the primary school. They are talking about the universe, when they have got to learn to manage a shop and a small town. They abuse us because we are at work at the small end with small things."

This brief account would lack both truth and justice, if it failed to note another high quality that is perhaps at present more useful to the cause in France than the best "municipal housekeeping." This is the socialist appeal to the national conscience to *begin* disarmament. Under the magnetic leadership of the scholarly Jaurès, thousands of Frenchmen are for the first time admitting the vast stupidity of the increasing military burdens of that people. In the name of the working classes, Jaurès cries halt to this criminal policy. With a sustained moral passion that reminds one of Mazzini, he calls upon his countrymen to rise above the petty provincialism "marked off by the surveyor's line," and "enter upon the ways that lead toward self-respect and brotherhood." His stinging utterances against the slowness and inactivity of the Church, in this effort toward an international morality,

has stirred multitudes of people in that country. "Is the work," he asks, "which the professed followers of Christ have so infamously neglected, to be done by socialists?"

In a great hall packed with students, I once heard a three hours' debate on this subject, between a priest and a socialist. It was the heavy task of the priest to argue, throughout, for the necessity of the army, "human nature being as it is." Every popular catchword about the flag and patriotism was brought into skilful use, in his apology for Christian nations in their elaborate preparations to carry slaughter and death among their fellow-Christians. Was not a great army and navy forsooth the best safeguard of peace?

The plea of the socialist was for a policy, every practical aim of which should lead toward fraternity, by throwing off the express signs and symbols of enmity. For a long future, he admitted the necessity of a "home militia" for possible self-defence, but asked that every youth be taught ethically that all preparation for offensive war is a crime against humanity and the last insult to the Christ tradition which stands (if it stands for anything) for peace and good will among men.

I came away from this debate with a professor in the local university. He said with much feeling, "To have that debate here once more, would unchurch every student in the university and make him a socialist, if it has not already done so."

It is in this spirit that socialists are uniting in a very noble attempt to sting Christian nations into some sense of moral shame because of this great

iniquity. In this holiest of all crusades Jaurès and his followers are at the front.

This "socialism in the making" will substitute work for phrases as heavier and more definite responsibilities are thrown upon it. The process which brings this safer and saner mind is seen at its best in the recent history of the German movement, to which we now turn.

CHAPTER X

FROM REVOLUTION TO REFORM

I SHALL consider the German and Belgian experience in much detail, because it offers us the best possible criticism upon the socialist movement as a whole. It represents it in its later and riper stages. I deliberately substitute this experience for speculative discussion, confident that this actual history of failure and success throws far more light upon the issues than volumes of subtle theorizing. We do not know what the socialistic principle can do, or what it can not do. It has now made two extraordinary records; one political, the other political and economic. It is to these records I now refer the reader. They furnish lessons of such obvious significance that there would be little hope for any people who refused to heed them.

So far as political duties alone can steady men, the German social democrats have been at last forced to take step with the great army of those who do the ordinary work of carrying on the empire. Within my own personal experience with some of the leaders of this party, the change of attitude on very vital points has been so radical, that one hesitates to state it except in their own words. Socialists are extremely sensitive about these changes of opinion within their own ranks, and I shall not therefore trust to notes taken during three years' residence in that country and during four visits at more recent periods.

Even if it somewhat overload the text, the most authoritative proofs should be given. These changes have been brought about by the bearing of specific responsibilities. In Germany these are almost exclusively political. Bamberger, who with the eye of an enemy watched the growth of social democracy in Parliament, told me that what had interested him most was to see the effect of parliamentary life upon the outward behavior, the manners and dress, of these representatives of the labor classes. "Even those who are most persistent in marking themselves off by external peculiarities, gradually get subdued by their surroundings, so that in dress and bearing strangers are bothered to know where the socialists sit."

It is of much more weight that this subduing process does not affect the outside only, but thought and opinion as well. Let us take one by one the leading revolutionary principles which had the sacredness of a religion to the older German socialist.

(a) After their parliamentary life began, men who guided the opinion of the party held, as Bellamy came to believe, that the social revolution was to happen at a date so near, that one was safe in stating it as twenty-five years at the utmost. The great struggle was just ahead and was to come abruptly to an end. The words of their leader, Bebel, were: "For it is the last social struggle. The nineteenth century will hardly be at an end before this struggle shall be practically ended."¹ He even held that the entire

¹"Die Frau," p. 352. (Denn es ist der letzte sociale Kampf. Das 19. Jahrhundert wird schwerlich zu Ende gehen, ohne dass dieser Kampf so gut wie entschieden ist.)

plan of the new society should be worked out beforehand to the last detail.

The Protokoll of the party, as late as that at Erfurt, contains the sentence, "I am convinced that the fulfilment of our hopes is so near that there are few in this hall that will not live to see the day."

(b) It was held and taught that this triumph of the social democracy could not come peaceably, but only through violence and bloodshed. In 1874, as the strength of the party began to show itself, Liebknecht was its chief and most instructed popularizer. He writes in his "Volkstaat" these words, "Those who wish a new society must work directly for the destruction of the old one." "It is solely a question of force — eine Machtfrage — which is not to be fought out politically, but on the battlefield," — die in keinem Parlament, die nur auf der Strasse, auf dem Schlachtfeld zu lösen ist. — His "Zu Schutz und Trutz" is also filled with kindred expressions.

At the Congress of 1883 the words are, "A change in our industrial system through peaceable means is unthinkable." At St. Gallen, in 1887, it is laid down that one who teaches that the social democratic ideal can be reached by constitutional and parliamentary means is a humbug — "er sei ein Betrüger."

These are not garbled citations but the deliberate opinions of the intellectual leaders of the party. The proceedings at the Congress of Wyden bear the same stamp of violent purpose. Dietzgen's "Religion der Socialdemokratie" is filled with it. The period, he says, in which he wrote was quiet, but only because forces were gathering for a catastrophe, — "weil sie Kraft sammelt zu einer grossen Katastrophe." In

1875 Marx described the transition between the capitalistic and the final communistic society. Between these two, he says, comes "die revolutionäre Dictatur des Proletariats." In 1891 his life-long friend and ablest colleague explained this sentence thus: "You wish, gentlemen, to know what this dictatorship of the proletariat means? Look, then, at the Paris Commune!"

(c) The struggle was sharply defined — the poor against the rich. It was to be the war of the proletariat against the well-to-do. In their one scientific journal it is written down, in 1891,¹ that no people as a whole is to bring in the new era. The whole burden of the fight falls to the workman, "eine bestimmte Klasse, nämlich das Proletariat innerhalb aller civilisirten Völker."

(d) As capitalism advances, wages lessen, and the masses sink into deeper want and misery — in Marx's words, "wächst die Masse des Elends, des Drucks der Knechtschaft, der Entartung, der Ausbeutung."

(e) The teaching of the great autocrat, Marx, that industries would fall as by nature into fewer and fewer hands, was accepted so implicitly, that when, a few years since, the first doubt was raised concerning this teaching, as applied to the peasant farmers, it was met by a storm of resentment. When Marx said that the accumulation of riches at one pole was at the same time the accumulation of wretchedness, slavery, ignorance, brutalization, and moral degradation at the other pole,² he included the farming class. The keenest and most faithful summarizer of Marx in England,

¹ "Die Neue Zeit," 1891-1892, Heft 9.

² "Das Kapital," p. 611.

Dr. Aveling, says the farmer is to be extinguished because the revolution is even more intense in agriculture than among factories. In Germany, Bebel popularizes this opinion, and Kautsky taught that the hopelessness of the farmer was inherent in the capitalistic development of society.¹

(f) Nor can one omit the question of religion from this list. Twenty-five years ago the tone against religion was that of an acrid dogmatic atheism. A single passage from Liebknecht's paper ("Volkstaat") in 1875 stands fairly for opinions that may be quoted from twenty authoritative sources: "It is our duty as socialists to root out the faith in God with all our zeal, nor is any one worthy the name who does not consecrate himself to the spread of atheism."

This is not merely Engels's word, "Mit Gott sind wir einfach fertig"; it is the "Zwangs-Atheismus" of that period. In his "Christenthum und Socialismus" Bebel says of the Christian religion, that it stands over against socialism as fire and water. Dietzgen claimed in his "Streifzüge" that being other than man was not possible. The Stuttgart leader Schall was applauded when, in 1871, he said, "We open war upon God because He is the greatest evil in the world."

I do not give this array of opinions to find fault with them. I give them solely to show that the ablest social democrats have changed their attitude. Some of these opinions have been cast out altogether, and are now freely spoken of as an exhibition of intellectual rawness that shows itself in the beginnings of a new movement. Other points, like the last one

¹ See Protokoll, 1895.

regarding religion, have not been discarded, but so entirely modified as scarcely to be recognized.

What has occurred that so vital a change should have taken place? The general answer is that the strenuous experience of twenty years of political agitation has given—what is freely admitted—a larger outlook.

Let us begin with the last point (*f*), on religion. As early as 1889, it had become clear to many of the shrewdest in the party that religion had a much deeper hold upon large classes, especially in the farming district, than these jaunty critics in the seventies ever dreamed. They learned that religion was a larger fact than what they saw embodied in any church, catholic or protestant. They learned that even if it were a superstition, generations must pass before its victims could be disillusionized. This had become so manifest that the Protokoll of the party at Halle declares that religion must be left to the private judgment of the individual. This is a long step from Liebknecht's positive duty of the socialists to root out religion and (*mit allem Eifer*) to spread atheism. It is easy, moreover, to account historically for the hilarity with which, at that time, men like Liebknecht, Bebel, Stern, and Dietzgen mocked the religious sentiment. The "intellectuals" of social democracy were caught by the prevailing scientific current of the time. About 1870 a crude materialism was at its height. Skilful popularizers like Büchner were read with eager zest by those whose joy it was to discredit the faiths of the ruling classes. "Wissenschaft" was a word to conjure with. Liebknecht writes, "Our party is a scientific party." Before

1885, it was a dull mind that could not see that this kind of materialism was repudiated by all the first-rate scientific minds in Europe.¹ In 1884 I heard a university professor of philosophy, in strongest sympathy with the social democrats, say, "It is a great pity that the leaders of the party do not see that they are discrediting their own cause by repeating what every instructed person knows to be nonsense." Many of their leaders now recognize this. Malon, before his death, wrote pathetic appeals to the party in Europe to "spiritualize the movement," at least "to bring it up to the level of the reigning science."

In his final work, "*Le Socialisme Intégral*," he pronounces the economic materialism of Marx wholly untrue to the facts of life.²

In all that was said at the Congress in Halle (1891) about the relation of the party to religion, the effects of this great change are clear. Even if policy alone dictated the altered tone, the proof is just as convincing that the party guides have learned their lesson. When a member says, especially of the country districts, "We get on best when we leave this subject (religion) entirely alone,"³ and finds his words approved, it is evident that religion is recognized as a force with which social democrats have to work. The Marxian Woltman has recently written a book upon historical materialism in which he teaches that religion is an abiding fact in the life of

¹ A brilliant account of this change may be found in Lange's "*History of Materialism*."

² See also Gustave Rouanet, "*Revue Socialiste*," 15 décembre 1887.

³ Auf dem Lande kommen wir mit der Religion am besten fort, wenn wir sie ganz aus dem Spiel lassen. — Protokoll zu Halle, p. 190.

the race. Socialism in his view has no more sacred task than to add deeper spiritual purpose to all its aims.¹ This is the key to the change in every point we are considering. At first the arch sin is compromise with existing society. Its God, its government, its family, its cherished forms of property, are to be broken in pieces. It is treachery to every sacred principle to recognize legal and parliamentary methods, since these involve some sort of working partnership with capitalistic society. Yet that which at first was a perfidy, has slowly become a virtue, even if one of necessity. Step by step the inflexible antagonisms have yielded to the same influences that have disciplined the race from its beginnings.

The point (*e*) illustrates this better still. The Marxian abstraction, that the big fish of industry are gradually destroying the little ones, has also been "found out," *i.e.* the infallibility of the generalization, applied to all industry, is now known to have limitations undreamed of by the master. As early as the International Congress of 1868, through Marx's influence, it was laid down that land was to be made common property. This was repeated until the International was scattered by the incessant bickering of its members. In 1870 the German party at its Congress at Stuttgart accepted this principle of the International because "economic development made it a necessity to convert land into common property." This was to be worked collectively by labor associations. The Congress at Gotha, in 1875, holds firmly to this plank of its platform. Nearly twenty years were still to pass before any one raises the question whether the great

¹ L. Woltman, "Der Historische Materialismus."

farming was as a fact generally swallowing up small proprietors. As late as 1895 a very frequent and impressive illustration, which one often heard from the speakers, was the resistless march of the colossal farm in the United States. It was assumed that this added further proof of the infallibility of Marx's insight. Before the dispute upon this point arose, a purely tactical issue appeared, like that which showed itself at Halle in regard to religion.

The South German socialist, Von Vollmar, knew well the life and the economic condition of the small farmer. He first saw that whether or not the great farming was to replace the small, nothing was surer than that the owner of few acres would straightway pronounce every man an enemy and a blockhead who proposed to take away this ownership and merge it in a collective proprietorship. Would it not therefore be better to recognize this fact and adjust the party policy to it? So universally was this reprobated, that three years passed before the slightest real impression was made on the party action. In 1894, Von Vollmar was able to make his challenge felt. He first showed it to be the worst of tactics to outrage the traditional land hunger of the peasant. In this same year, he challenged the evidence that the little farmer was generally being despoiled by the great one. At this date it was possible to get news from America. From letters and agricultural reports it was learned that the "big farm illustration" was premature. There was too little good evidence to show that the economic fatalities were strengthening the thesis of the prophet. The testimony was that for large portions of this industry, the future was possibly for smaller rather than

for larger farming. I remember the surprise of a socialist scholar and writer who told me, with something like consternation, that he had received trustworthy information that the "big farm" was upon the whole a failure, that the tide seemed to be setting in many districts in the direction of more scientific methods on small areas.

This news was very disturbing to men who had committed themselves with irrevocable emphasis to a proposition so open to doubt. An independent investigation of their own in Germany confirmed the case against them. For years their speakers had been telling the peasants that their future was hopeless. The campaigners had used big words before these agricultural hearers. "Evolution" and "science" were always on their lips. It was thus very chilling to hear from this same science that, as it came to be applied to farming, a large part of the cultivators were to find new hope and security in few acres rather than in many. Few social democrats were so obtuse as not to see that, at least for this section of the farming class, it was the last folly to ask that their holdings pass into a common possession. There have been ten years of very bitter contention over this agrarian issue. The social democrats have had to pay the penalty which every political party that fights with infallible abstractions must pay. The abstraction in this instance was at best a poor sort of half truth. When this was discovered, the dilemma of the social democrats was serious. Their political future made it impossible to drop the farming class, but on what basis could the propaganda now be carried on? They could propose certain improvements in the

peasant's lot, — lightened taxation, easier and safer credit, and the like; but to do this, the social democrats must commit the deadly sin of coöperating with agencies already in hand by government and bourgeois associations. This compromise with existing society had upon all hands been pronounced the one disloyalty against their principles that was never to be pardoned. If one wished to raise a riot in a socialist gathering, one had only to suggest some modification of doctrines that would enable the party to coöperate with any recognized state or social policy. Twenty years' experience with the farmer, and the inquiries which this agitation has involved have compelled a change of tactics that bears this party still further from revolution toward the ordinary methods of an advanced party politics. It is a crisis in the history of the movement, because the fall of one infallible abstraction raises quick doubts about others. When it was once felt that Marx's thesis was more than doubtful as regards agriculture, the bolder minds began to ask if it was true of other industries. The development of social politics under the government (of which workingmen's insurance is a type) has produced a body of statistics about wages and conditions which the social democrats know they can trust. Many questions can now be tested for which there was neither proof nor disproof twenty-five years ago. From these and kindred sources of information, socialists now see that the assertion that "the big business is growing bigger and the small business smaller," is not true, except with qualifications that are very vital.

As middle-class incomes are increasing, so also

many types of middle-class industries were never in a stronger and healthier state than at the present time in Germany. The proof of this, which the scholarly Bernstein has forced his German comrades to face, marks all the change there is between the revolutionary method of the "class struggle" and the humbler method of social reform in which all men of good will may unite. This change marks an end of the man with a formula; it means a victory for practical political opportunism in its best sense. A single line from Bernstein's book reads as if Mr. Giffen or Edward Atkinson had written it, "The number of the possessing classes grows absolutely and relatively."¹

No sentence more revolutionary than this could have been written by a socialist pen. Nothing more revolutionary could happen than that its significance and its consequences should have patient hearing at the last Congress. It means no less than a reversal of political procedure. Liebknecht, in 1893, says, "Compromise gives up every principle for which we stand." Four years later he admits that compromise has become a necessity of party action. This Nestor of the party said at Hamburg, "If I can gain an advantage from another party by compromise, I will seize it."

Bebel also yields, and accepts what in 1893 he had hotly condemned—a working alliance with parliamentary forces.

¹ The whole sentence is so epoch-making in the history of socialism that it should be given in full: "Nicht mehr oder minder, sondern schlechtweg mehr, d. h. absolut *und* relativ wächst die Zahl der Besitzenden. Wäre die Thätigkeit und die Aussichten der Sozialdemokratie davon abhängig, dass die Zahl der Besitzenden zurückgeht, dann könnte sie sich in der That 'schlafen legen,'"

approved. Whether for the Reichstag, Landtag, or the common council of the city, socialists now coöperate, not alone in elections, but in the general policy of social and industrial improvement.

Last year in the province of Brandenburg, socialist municipal representatives met for deliberation. It perplexes one to find a proper term of comparison between the present discussion and those that filled the air at such gatherings ten years ago. The questions are now about the introduction of direct employment by the city, of extending the franchise, of a better tenement-house bill, of the hours of labor, of extending municipal control over the street cars, etc. When party tactics are chiefly directed to agitation of this kind, the *Klassenkampf* in its former sense, if not quite dead, is no longer alive.

To have struck at its roots this vicious growth of the class fight is the chief moral triumph in the changes here noted. As these sectional hatreds are overcome, the ground is first reached on which the longed-for social reorganization can begin. The conditions that shall make such reorganization possible can spring neither from hate nor suspicion. They can come only from a completer sense of a common and not a divided social destiny.

If we look once more at socialism in which the ideals of business and of politics really unite, we shall have the final illustration of the collectivist theory at work with results more remarkable still.

The German and Belgian experience offers society its chance of wise and generous coöperation.

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CHAPTER XI

SOCIALISM AT WORK

SOCIALISM in its advanced stage is seen at its best just now in Belgium. A small country, sore pressed in its industrial struggle by its great neighbors, England, France, and Germany, its capitalists have been driven to the closest cutting of the wage scale. They have used new mechanical inventions to weaken the trade union, in order to employ women and young apprentices more freely. Constant recourse has been had to the law against coalitions in the same spirit that we now use injunctions. Especially among the mining and iron industries, strikes were frequent, prolonged, and bitter. Behind the formation of this party were the long, riotous strikes in that great industry of the country, coal mining. There were the same traditional abuses that have been the shame of our own coal region,—systematized pilfering from the miners in the loading and weighing of coal, in deductions by sale of powder and through the truck stores, and a vicious use of credit. The final result of all this was to throw these masses into a sullen and determined political opposition. Socialistic organization began with the appearance of the International in 1866. At the first Congress in Ghent, 1877, the Marxian policy was adopted. There was an instant revolt of the autonomists, or anar-

chist sections. There was the same bitter internal strife that everywhere appears during the period of abstractions.

Two years after this first Congress, a movement began which for twenty years has added increasing strength to the cause. In 1879 a socialist workingman in Ghent, Edouard Anseele, angry at the incessant bickering over phrases and programmes, began an experiment with a coöperative bakery. In 1898 I went about this city with M. Anseele to see the stores, the bakery, and splendid club-house with its great garden. He said: "The plan of bombarding capitalism with loaves of bread has succeeded beyond any dream I ever had. I knew that the wage system was doomed, and that competition must yield to coöperation, but I did not expect to see, while I am still young, six thousand loyal members in this small city. They tell us we are atheists and without a religion; but without a religion these poor families would not sacrifice all they have to build up our *coöperative* in Ghent. It is our religion to found a society in which the poor shall have just as many chances for leisure, good homes, and the best education that their talent deserves. We believe we can do this only by training the common people to create more and more wealth themselves without the parasites. We therefore begin by shaking off as many middlemen as we can drive to productive work, by doing better ourselves what they did. We began with bread, because it is the great necessity of us all. All who buy our bread are fighting the sweater who works his laborers in mean dens fourteen and fifteen hours. Every loaf that we make stands for a clean shop, three and

four hours' less work per day, and the principle of the minimum wage. To buy of us means brotherhood instead of war. To make this better method succeed in the teeth of capitalism requires of our members great sacrifices at the start. They are making them because of their enthusiasm for the freedom of the coöperative state."

I went later with M. Anseele to see the "Home of the People" — the centre of social and educational life. I expressed surprise that a body of workingmen could have bought a building and grounds of such pretensions. "Ah, but we got it cheap," he answered; "it was the club-house of the capitalist politicians (the liberals). They are now so near a wreck that they could not afford to keep it. They were furious when they found that their political social rendezvous had become a possession of the socialists."

The incident is not without significance. It is as if the socialists in Chicago or New York should buy the Union League clubs. Since the founding of the Parti-Ouvrier, political liberalism with its *laissez-faire* traditions has so far perished that all sorts of conservative and property interests have joined hands to fight the common foe — socialism. Until 1879 there was obstinate resistance by workingmen against all proposals to take their party into politics, just as our own farmers' and trade-union organizations have so often set themselves against political affiliations, but may like their Belgian fellows be driven solidly into politics.

In 1880, definite and systematized political agitation began. I had pointed out to me in Brussels the saloon

in which the policy of 1885 was framed. As English trade unions in earlier days were forced to meet in drinking places, because no hall could be hired, the workingmen here meet in saloons. My companion, M. Van Loo, actuary of the company, who told me this, was showing me the veritable "Palace of the People," just rising on the heights and overlooking Brussels. "Now," he said, "a strong party among us is making for temperance, and we mean to put a ban on all gatherings where the passion for drink can be used to pay for our meeting places."

Trying once to find the mayor in a socialist commune in France, I was told by a catholic gentleman: "The mayor? Oh, you will find him in the saloon." He was in the *estaminet*, but the scornful comment was not quite fair. Hundreds of saloons are kept by men who have been blacklisted because they were too active in the cause of labor. They became saloon-keepers both as a means of sustenance and because the agitation could in this way be best carried on. These men were found everywhere in Belgium. Sympathy naturally led the laborers to patronize this type of drinking place. The principal organ of the party, *Le Peuple*, was first printed in a saloon. A Brussels lawyer told me that one great good of the Maison du Peuple in the different towns was that the displaced laborer found a natural home there. He thought the cause of temperance among the working classes had been distinctly furthered by the socialist institutions. On a fête day, one may see hundreds of families in and about their clubs, taking their pleasure far more safely than in private saloons. Several of the socialist centres have voted to exclude altogether the sale

of strong alcoholic drinks, in spite of the pecuniary loss and the driving away of many comrades. In the widely circulated almanacs of the coöperators one may find crisp and telling extracts upon the evils of alcohol. At one of the first sittings of the council when the Maison du Peuple was opened in Brussels, it was voted to organize a campaign against the liquor abuse.¹

This quite magnificent building, which cost workmen a million francs, is to Brussels what the "Vooruit" is to Ghent and "Progrès" is to Joliment. These are the three leading centres of socialist work and agitation. I went first in Brussels to see the great bakeries, where no employer or middleman has any footing. In 1897 they were producing in this city alone ten million kilos of bread. Nearly one hundred thousand francs were, in six months of the year, credited to the purchasers in benefices. Five thousand francs were set apart to extinguish the debt on their great club-house, and about thirteen thousand for the propaganda. The membership, in 1899, reached eighteen thousand heads of families, representing nearly one hundred thousand people. Bread was made in such quantities that three centimes' rebate per loaf gave back to the buyers one hundred and fifty thousand francs. Since the beginnings in Ghent more than fourteen hundred coöperative societies have been established. These include credit associations, creameries, and groups of farmers for the common buying and selling. Many of these are

¹ In a collectivist hall in a mining district near Charleroi, I saw temperance placards of a kind that one would expect to see in a hall of the Women's Christian Temperance Union.

purely business enterprises, but are greeted by collectivists as further stages in the extinction of the middleman. This whole movement is economic, but at the same time political. The English coöperation, from the store to the wholesale departments, thence to the coöperative wholesale workshops, is socialistic in that it extinguishes thousands of profit-making middlemen. The business gains go automatically to the sixteen hundred thousand purchasers. The Belgian *coöperatives* are all this and more. They use their profits for the express purpose of spreading socialism. Their thirty-three members of parliament, their schools and lectures, their press and pamphlet literature, make heavy drafts upon their resources. Literally, millions of small pamphlets have a free distribution among workmen not yet in sympathy with socialism. They believe that capitalism and the wage system are the root and perpetuation of social inequalities. They believe that the reigning politics is but a reflex of these private business interests. They therefore use for their weapons, coöperation and political agitation; the shareholders *en masse* hold the political opinions of the party. I asked a member of parliament which was considered the more important, politics or business. "I cannot tell," he answered; "we go to the polls and the workshop for the same end, to make a decent human society possible."

The economic and business basis of this cult already includes drug stores, creameries, breweries, shoe and furniture making, groceries, coal depots, and markets. In addition, they now have old-age insurance, which gives pensions at sixty years of age to those who have been twenty years members.

At Ghent the doctor is free, as well as medicines from the socialist pharmacy. In centres like Charleroi and Joliment where the labor troubles have been at their worst, the growth of these *coopératives* has been rapid. I saw one at Roux in its very beginnings; Four years later, its property had an official valuation of above two hundred thousand francs. At Joliment the membership has reached twelve thousand. Bakeries, meat markets, pharmacies, were prosperous; but the brewery was the source of even more pride. Its profits in 1899 were ten thousand francs. My guide insisted that the brewery was even a moral institution; — "We go much less to the saloon, on boit cette excellente bière coopérative maintenant en famille." The enemies of this collectivist propaganda tell you that it is coarsely materialistic, not only destitute of religion, but destitute of intellectual and æsthetic ideals. I looked with some care at their libraries, which represent several thousand volumes. These had been gathered by members whose daily wage does not, I think, average one dollar and a quarter. Would hard-working men and women, with this income, pay for such luxuries if lower motives alone moved them? There were hundreds of volumes which any scholar would gladly possess. The selection was both serious and intelligent. *Bibliothèques populaires* everywhere abound in Belgium and are freely patronized by the working class. As for art, one of the first sections at the Maison du Peuple, in Brussels, was founded in order to further æsthetic interests. While I was in Belgium, two lectures were given on the relation between economics and art. Lectures were announced on Wagner and William Morris and one "On the

Evolution of Art," by one of Belgium's most eminent lawyers, Senator Picard.

A socialist character in one of Henry James's stories goes to Italy. As the great masters work upon his imagination, the disturbing thought first comes to him that socialism would cut these noble canvases into tiny bits for common distribution. This awful suggestion appears to bring him back into the beaten path of respectable opinion. This conception of socialist views about art is extremely popular, but it is even more naïvely untrue than that other current philistinism that "socialists want to make everybody equal." Whether a collectivist society would, as many artists believe, give the world again a great art, cannot now be told, but the effort to create the impulse and the conditions under which such an art would have its inspiration, is very real. The most important party paper, *Le Peuple*, contains articles upon æsthetics from the best-known names in Belgium. It was a socialist deputy that led the discussion in Parliament in favor of a subsidy to restore the Abbaye d'Aulne. It was this party that urged the ministry to have some policy of making the government railroad stations beautiful, from an artistic point of view, and to extend the instruction in the museums and art schools, so that people should benefit more freely from these institutions. Nor has any one done more in Belgium to extend what we should call university extension than many members of the *Parti-Ouvrier*. These efforts to enrich the life of labor, together with the attempts to lessen the evils of drink, indicate that the term "a coarse materialism" carries with it more prejudice than truth.

Federation and its Hopes

The work of federating all the socialist societies has begun. The delegates of sixty-six *coöperatives* met in Brussels in 1898. A centre for registration was established, and the first wholesale purchases for the smaller groups have since been made. Above one hundred associations have already united in this federation. The workingmen hope that the economic advantage of this large organization — buying and producing — for the smaller societies will compel outside coöperators to affiliate with them. The creameries have already federated, having in Brussels a central market for the sale of butter and cheese. The *Moniteur Officiel* gives a list of above four hundred coöperative societies founded from 1898 to 1900. The purely productive *coöperative* is, as everywhere, in the minority, but fifteen new ones are recorded in the year 1899.

The statement of a socialist deputy shows us very clearly what his party is trying to do, and why a bitter resistance comes now upon the scene. "We have," he says, "proved once for all that in an increasing number of industries the employer and middleman can be dispensed with. Nearly two thousand *coöperatives* exist now in Belgium. They are upon the farm, in the workshop, in hundreds of loan and credit associations. In more than twenty different kinds of businesses, distributive and productive, coöperation has come to stay. We ask for freedom to extend this method throughout the country. In the fields where coöperation could work, we can show that three millions of francs a year can be turned from the

pockets of useless middlemen into the pockets of all the purchasers of these products. If in any industry we make coöperation a success, that of itself proves that the middleman was a parasite; that he has been living upon the labor of others and not upon his own producing power."

This outspoken purpose together with the steady march of coöperative business has aroused the activity of a powerful opposition. It is busy in city councils and with parliamentary leaders. It is perhaps busiest of all in the catholic church, where a virulent hostility has developed, although it is not primarily economic, but moral and religious. Many noble men among the priests agree with the economic policy of the socialists, as do many of the Christian Socialists among the protestants; but religiously and morally the catholics hold the socialist influence in abhorrence. It is believed to subvert all organized worship and to undermine the monogamic family. A mass of popular catholic literature is now spread through the country filled with quotations of socialist opinion on the church and on the family. The immediate fear of the church is that socialists are turning the workingmen into enemies to all religious authority. A catholic professor told me that this fear had a terrible justification through all the large industrial centres. To save the workingmen, the catholics have also started, both in distribution and production, scores of coöperative associations. They have opened halls, reading rooms, and lecture courses. At their congresses upon the social question, clubs of wage earners troop in under gay banners, and much of the programme has to do expressly with the material interests of labor.

Another kind of opposition has yet more interest. It is the cry of alarm raised by thousands of small traders. There is here no question of morals or religion, but of business. Their occupation as profit makers is put in such peril that a clamorous appeal goes up to the political authorities to save them from the coöperator. There has even been an International Congress at Antwerp¹ in the interests of small traders. It was under the patronage of the Chief of the Cabinet and of the Ministers of Industry and Justice. To this Congress the association of business men made their appeal. A few lines from their spokesman are worth reproducing: "It is indisputable that the *coöperatives* are bringing confusion into the field of the small traders. In the districts where the most powerful of the socialist societies are found, innumerable wagons carry bread to the home, but carry also other articles, like drugs and syrups, which are sold below the prices of other pharmacies." It is admitted in the address that prices generally are lower at the socialist counter. The appeal closes with the request that coöperators be allowed to sell only to their own members. If this is granted, "*la misère du petit commerce serait moins grande.*" The fact that private business suffered seems nowhere to be questioned. A professor in the University of Ghent, Oscar Pyfferoen, closes a pamphlet on "The Small Business Man" with the words, "The middle classes are at the present moment being driven to the wall by the deadly blows they have received in the struggle." Powerful friends have taken up the question before

¹ A bulky report of 729 pages, *La Petite Bourgeoisie*, has been published by Schleppens in Brussels, 16 rue Treuenberg, 1900.

government. M. Gilliaux, a deputy from Brussels, asks "if the authorities are to stand idle while thousands of business men are extinguished." The socialists admit this to be their purpose, and they are moreover accomplishing it.

The president of the Federation of National Independents, Léon Théodor, began his speech in Parliament with the words, "It is time to act; small merchants and employers are menaced with destruction, if prompt and energetic remedies are not forthcoming. From an economic point of view, their disappearance would be an evil; from the point of view of the nation, a calamity."

At Ghent, a commission has been taking evidence against *coöperatives* during 1900. The charges are humorously like the bill of particulars brought in this country against the department stores. It is seen that coöperation cannot be stopped, but may it not be made harmless? Cannot *la petite bourgeoisie* be saved from destruction? The proposals made to the government are that distributive and productive societies shall not be allowed to combine, that they shall sell to no one except their own members, that they shall be prohibited from all political activities, that no one shall be hired from the outside to fill any administrative position, etc. They would have the trade unions, as such, engage in no commercial business. The greatest of objections is the intensity of competition which the *coöperative* has raised against "honest business."

As the German government has adopted a "Mittelstands Politik" to strengthen the middle class, that it may act as a buffer against socialism and be protected

against the *Grossindustrie*, so the Belgian government now votes its first subsidy to encourage counter-organization in the middle-class commerce. A second congress was held last year in Switzerland to give an international character to the whole movement.

The government has thus done what socialists long since urged. When middle-class business raised its first complaints, the socialist reply was, "Associate yourselves, if you are ground by the great industry on one side and by our *coöperatives* on the other, band together as we have done, and reap the same advantages."

This advice was jocose, as the socialists hold that these middle-class associations, as they develop, will be forced at length to affiliate more and more with the *coöperatives*. "They will be forced to do business with us on the coöperative method, and thus be educated away from the spent individualism which is now their weakness." It is also believed that middle-class organization will offer an easier field for propaganda. When the farmers began to learn the advantages of coöperation in creameries and mutual credit associations, the socialists began a new campaign to convince them that coöperative business was fraternal and democratic, and that the meaning of this was democracy in politics. The Brussels group has bought a large farm, and already counts one farmers' association as a convert.

This brief history carries with it a better explanation of socialism than any formal proposition embodied in programmes. It is better because, step by step, we see the theoretic policy moulded and determined by

its actual struggle to do business in open competition with its enemy, the capitalist employer. Steadied by these heavy, yet delicate responsibilities, the socialist politics has been so chastened by its fifteen years' experience that one of the strongest men of the party told me: "We have learned that to run the affairs of a town or of the government is immensely more difficult than any of us supposed. If we had the chance to assume government responsibility, we should refuse it, because we are not yet ready for it."

Even the more ideal expression of what they hope to bring about is now stated in different language. A noble scholar, Hector Denis, who has dedicated his life to this party, and is now socialist member from Liège, gives an invaluable statement of the changes observable in the hopes and purposes of the party. The period dominated by Robert Owen's influence, he calls that of *l'altruisme idéaliste*. Its disinterested devotion was heroic, but men and women were asked to respond by qualities that were not yet developed in them. The greed and jealousies, created by ages of competitive conflict, were too slightly modified to meet Owen's feverish expectations. His hope that men would work for a common capital as faithfully as for private gains, was generous but unwise.

The reaction comes with the Rochdale pioneers of 1844. The coöperative ideal remains, but the self-regarding instincts are not lost sight of. The increment of gain goes no longer to a middleman, neither does it go communistically into a general fund, but very definitely to individual purchasers. The heavy race egotism has to be long disciplined by this form of coöperation. We may still be cheered by that far-

off ideal in which "all for each and each for all" shall have, even in the processes of the world's wealth getting, a higher fulfilment.

This truce of the idealist, with the stubborn realities of human nature, appears throughout this Belgian movement in ways so significant that they furnish, I believe, the most luminous hints that modern socialism anywhere offers.

Though far younger than the German party, this Belgian contingent began by stating its economic programme, with that doctrinaire exactness which is easy where there has been no experience. There is no difficulty in writing unanimous and sounding resolutions that "the laborer shall have the whole product," that "none should work longer than eight hours," that "work by the day should replace piece work," that "the taking of interest is theft," that "all should be paid according to their needs." Such opinions were religiously held by thousands of Belgian collectivists less than twenty years ago. They are the current formulas of propaganda until they undergo the tests of practical experiment. These experiments have been made in Belgium. They have been made long enough and in such variety, that the results cannot be mistaken.

In 1898 I visited a large number of businesses carried on by workingmen socialists; bakeries, pharmacies, breweries, clothing and furniture and boot making, together with many distributive stores. I had learned from socialist statements that a few years of hard work in the drudgery of managing men and women workers, so well as to make the business succeed, had refashioned several articles of the creed. I will give

as faithfully as I can report them, the reasons that the socialist managers and members assigned for these compromises. (a) I had been to a private bakery to see if machinery of later and better type was there used than in the socialist bakeries. I found in this instance that the socialists had the newer and more perfect machines. I asked the manager if the men did not object to these inventions because they would displace labor. "Yes," he answered, "we had to fight that out, but it never caused us much trouble, because it was easy to show that if we own the machines, the better they are, the better it is for us." But do they not as a fact displace the men? I urged. "Yes, of course, but they make more work somewhere else which some of our men must do. Besides, we know that the more bread we can turn out with the best machinery, the better wages we can pay and the shorter hours we can give." It was, of course, never held by any sane socialists that machinery was other than good if owned by the community; but here these men, out of a very brief experience, had learned all that any economist or business man could teach them as to the reasons *why* machinery is good. They had, moreover, learned one lesson, about which the bourgeois world is still in a very muddled state; namely, that in those instances in which new machinery really displaces men at such time of life as to leave them in want, the plainest duties were left undone, until work was found or some form of insurance had brought relief. This was one of the reasons for the insurance system of the Vooruit in Ghent. They had rationally connected cause and event, building up a system of "benefits," under which some clear conception of social justice

was realized. The injured or the aged had his burden lightened by a systematized and logical plan. The family is not helped as a matter of charity, but as a conceded right.

(b) I next found women working ten hours and men hard by, nine hours. In my collectivist catechism, I pointed to the opinion that eight hours should be the maximum for all; that five or six would probably suffice. "Yes," he said, "we have been disappointed; we thought that we could make that rule universal, but it would not work. A great deal of our business can be managed with eight hours, and sometime we shall do all of it so; but at present, much of the simpler work would lose so heavily under eight hours that we could not carry it on. We shall push on toward shorter hours just as fast as conditions will allow." I asked if a compulsory eight-hour law would help. "No," he replied, "not for the kind of work in which we have found that nine and ten hours will produce more than eight. If France, England, and Germany could be held to eight hours in these special industries, we could stand it; but that is not yet possible. We have got to work it out ourselves and lower the time by continual tests, to see where we can do it without loss." The entire literature of the eight-hour movement has not developed one line beyond the good sense of this socialist workingman who was receiving, when I saw him, one dollar and twenty cents a day.

(c) Closely analogous to this, are the altered conceptions about the minimum wage and piece-work. It was fundamental that all workers in the collectivist régime should be paid the minimum wage,—a sum

below which the daily earnings should not fall. This principle still holds, but modified so ingeniously as to increase our respect for their practical intelligence. When it was found that the sewing girls in Ghent often produced so little, that the minimum wage took all the profit or even left a loss, it was decided and rigidly enforced that a minimum product should be a *condition* of the minimum wage, *i.e.* work enough should first be done before this wage principle should be applied. My first amazement at this tribute to common industrial experience gave place to admiration when the reasons appeared. "We could not," it was said, "allow a given wage in all kinds of work and with all sorts of workmen. Some will trifle, gossip, waste their own time and that of others. Some men care more for the saloon, and some girls more for flirting and prinking than for their work. We are still too imperfect to apply such a rule without modification and exceptions." Ingenuity in managing the doctrine reached its climax as he added, "Mais vous savez qu'il faut exiger un minimum de production puisqu'il y aura un minimum de besoins à satisfaire," — we must require a minimum product because they all have a minimum of wants to be satisfied. Was ever more admirable agility shown in doing effectively what had to be done, and then furnishing a theory for it? The three Massachusetts towns in which I have seen the minimum wage applied to laborers, were sorry bunglers compared to these workingmen of Ghent. One of these said to me, "I think it very likely that men will always have to do a given stint of work before they can be given any set reward." This is evidently near akin to piece-

work. Collectivists, as well as many trade unions, have long and obstinately objected to working by the piece, because it is a method by which the employer can set a too rapid pace for the whole group of laborers.

Time-work was given a thorough trial in Ghent and elsewhere. A great deal of the coöperative work can be done by those receiving day wages, but much of it cannot be so done for reasons that are as old as the history of human toil. The loafer will shirk his responsibility under a time wage. Pointing to workers of both sexes in a shoeshop, my informant said: "Many here could be paid by the day and would not shirk, but many of them have been tried, and will not earn what is paid them. That young fellow worked here for months for four francs a day; when his product was measured, I found that he had earned much less than this. He was then put on piece-work, in company with others, when it soon appeared that he was doing from a third to twice as much work, without any injury to him." These tests (with the same results) are the commonest experience throughout ordinary industry. The collectivists, once seriously at work, learn quickly what the race has learned, and learn moreover to defend their practice by the same reasons that any private manufacturer would give. The dead beat is indeed more objectionable in a *coöperative*, because all see that his sloth or shabby work hurts every member of the group. An article in *Le Peuple* gives this reason, as it urges a careful consideration of the best methods of wage payment, — s'il ne serait pas possible de perfectionner les modes de rémunération usitées dans les coöperatives.

Once familiar with these facts, it brought no sur-

prise to find in the same workshop an elastic scale of wages. Whether by the day or by the piece, the variations were as great as would be found in some private factories. In a small shop, filled with sewing girls, one small group was paid by the piece at a rate that could not have given more than two francs a day. When I asked about this, it was said, "Those shirts sell on the market as low as forty cents, so we can't pay very much." The great lesson that wages are conditioned by the amount of product and by competitive prices on the market, had been thoroughly learned. Price lists were studied in the central office, and the amount of foreign competition carefully estimated.

The impression deepened upon the visitor, that these men had learned the limitations under which practical business is done as thoroughly as those bred in the outside world. They maintain earnestly that the socialistic principle, under which the laborer is to have the total product, is in no way violated. "Our one aim is to make wages just as near the selling value of the product as possible. They can't, of course, have all they make, because of so many incidental expenses. We have interest charges, rent, and our managers to pay." He admitted that all collectivists were against interest and rent, but pleaded very sanely in excuse that they must have capital to buy machinery, horses, wagons, etc. "Men won't let us have their money without interest," he said; "we must, too, have land and buildings, and owners must be paid for these as they are paid for their capital." He told me they even borrowed money at current rates from their own members. Sometime, he added, the community will own all this machinery and capi-

tal, and then rent and interest will be at an end. Then we shall sell our products as close to cost as possible and profits, too, will disappear.

Here was the doctrinaire socialist, but in his most harmless form. He saw as well as another why interest and rent were at present necessary and must long remain so. He and his fellows had learned this in the only way in which the race ever learns anything, by exercising those industrial functions out of which interest and rent naturally arise. In their fortnightly discussions at the Maison du Peuple all these things were from time to time discussed. In no assembly does a mere theorist have so hard a time. They are doing the kind of work which furnishes all the reasons that are needed for the argument. The members that loan their own savings to the *coopérative* know why they take interest. They all know from day to day the difficulties that arise; why one set of workers can work in three shifts of eight hours each; why another set must work nine hours, and another nine and a half; why three and a half francs is as just for one man as seven francs a day for another. It is with this sure knowledge susceptible of tests in every shop that the cranks are subdued. They have the same proportion of them as society in general, and they can manage them much better.

Another fascinating subtlety in socialist discussion has been that which concerns the extra payment of ability. There is no commoner charge against the further democratized administration of business than that it would not pay for the talent requisite to success. Can common laborers ever be made to understand that the ability to organize and direct a great

business must be paid enormous salaries? Is not capacity to direct, to buy, and to sell in great quantities as rare and as precious as genius? Is not labor the beast, as Mr. Mallock assures us, and the employer the man upon his back? What horse can fitly estimate the reward due to its rider? There is doubtless much hard truth in this objection to a more democratic ordering of business, but even less doubt is there that the argument in favor of huge salaries has been a good deal overworked. I have heard one of the ablest insurance men in the country admit that it had been ridiculously overvalued in his own business. "There has been," he said, "a world of favoritism in these great salaries." Germany, Austria, New Zealand, manage different forms of insurance on a very large scale, but do not find it necessary to pay salaries that remind us in the least of many paid in the United States.

It was long said that English coöperation would fail, except within very narrow limits, because the ordinary members would never consent to pay really strong men as managers. This has proved to be one of the least of its difficulties. I once asked a man who is at the head of a business, whose transactions represent more than thirty millions of dollars a year, if managers could be found (in case of his death) at a salary of three or four thousand dollars a year. "That bugbear does not trouble us any more," he answered. "We train them within the coöperative ranks as fast as we can use them. I have five men near me now, any one of whom is as capable as I am." This illustration is necessary because the socialist answer loses its force unless the educational

scheme is kept in mind. He knows that as long as the masses are ignorant, they will set slight value on mental gifts. It is for this reason that so much prominence is given, in many of the socialist platforms, to compulsory education of a far more comprehensive character than now exists. They are incontestably right in asking that during the entire formative period of growth all children should be kept at school. Let these schools be enriched by the best that manual art and industrial training can offer, then the appreciation of ability will be assured. It is one of the reasons why the collectivist brotherhood, the world over, is so at one against the desolating waste of militarism in all its forms. It would use these thousands of millions yearly to train citizens. To the children of the poorer classes it would give an education as complete and thorough as that which the rich can command. Collectivists urge that a generation, in which every boy and girl is trained to the verge of manhood and womanhood, will know ability and value it after its qualities.

These are their hopes; meanwhile the great membership in the *coöperatives* is now learning to distinguish very sharply between the dolt and the man of gifts. I asked in Brussels, why a certain man was paid a little more than five times as much as the lowest laborer. "Because he is worth it," was the reply. "As our works enlarge, we shall have to pay still higher salaries. The great rewards of the competitive business we shall not pay, because other motives will enable us to secure first-rate capacity, just as the manager of the Vooruit gives us his best strength, but has never received twelve hundred

dollars a year. He has been asked many times to take charge of private concerns for a high salary, but he is not even tempted. He is in parliament, he has great influence, his leadership is recognized, and these things are more to him than to imitate the bourgeois. The greatest service we are doing is to educate many men just like him."

I once asked the English coöperator, Mitchell, why he gave his services as manager for so small a salary. I had been told that he had many times been offered much higher compensation. He replied: "I think I have the respect of my Rochdale coöperators. I have a good deal of power, I have great faith in the coöperative ideal, and these things satisfy me." This is the contention of the collectivist, that when business is done from a deeper sense of common interests — *tous pour un et un pour tous* — other than purely money motives will move strong men to work hard in business for far smaller rewards, precisely as they now so work in science, in art, in armies, and in the best of our politics.

That these Belgian workingmen so quickly learned that the rarer gifts should be more amply recompensed and could give rational grounds why this is done, indicates that further difficulties of the kind that may arise in the future will be met with the same practical wisdom.

Thus, what have been thought by individualistic critics to be the craziest notions in the collectivist programmes, are found to be tempered to moderation by some fifteen years of continuous routine work in bearing common business burdens. It has been learned that the methods of remuneration, hours of

labor, piece-work, the uses of interest and rent and extra compensation of ability, are facts to be dealt with in the same practical spirit as they are dealt with under the old wage system. When I said to a manager in Charleroi, "Except that you get rid of middlemen and thoroughly democratize your business, your actual work is done much as it is done elsewhere." — "Yes," he said, "only we make it plain that all forms of rent and undertaker's profit are like so many weights hung about the neck of labor. We are to get rid of them as fast as we can throw them off. The capitalists propose to keep them and get up all sorts of reasons to show that they are a blessing. Our method of association has already proved that thousands of profit makers are unnecessary. We prove it, because we serve the consumer better without the middlemen, and thus force him to produce things instead of living by cutting off an unnecessary profit. We mean to carry this work on until all the workers are so well educated that they can do business together, with their own machinery and capital, producing things and distributing them as nearly at cost as we can, and lowering the hours as far as we are able to." To my suggestion that this was not a very revolutionary programme, he replied, "When we talk about revolution, all we mean is evolution hurried up."

When large bodies of workingmen are educated to the point that they are willing to pit their working methods openly and fearlessly against competitive industry, asking only that the trial be a fair one, I submit that no more conservative and hopeful influence could be introduced into modern society. Not

a single coöperative centre has been made a success without disciplining the members into a spirit of caution and prudence in the application of business principles. Every added business burden will increase the care and responsibility that steadies their politics, as it steadies their industrial management. The aim of socialist politics is invariably to transform industry. But this politics will never be freed from the delirium and the dangers of unreal hopes and tipsy schemes, until it is disciplined by the weight of business duties and obligations. Political duties alone have precious lessons for the German social democracy. Belgian collectivists are learning both together. They have added to their obligations in politics the severe accountabilities of industrial management.

As the story of this hard won experience has lengthened; as it has been repeated and discussed in every detail among the workers for a dozen years, another change has taken place: the statement of principles grows painstaking and judicious. It is admitted that the great questions are more complex and difficult than had been supposed. The bumptious and cocksure tone is tempered by wholesome doubts. Big and sanguine generalizations do not pass without challenge. Within the very camp of the socialists arises a new criticism of almost every sonorous affirmation upon which the older collectivism was built. For example, the state was "to absorb all means of production." One may now hear this chaffed at by the most loyal members of the party. It is seen that innumerable lesser forms of machinery may be left to private ownership. The straight logic of collectivism would permit no woman to own her loom,

if she made upon it articles for sale. The same logic would cry thief to the petty landowner if he sent his vegetables to market. All private appropriation of land and machinery for profit-making purposes, is high crime before the severe consistencies of this theory. The small sponger may be less harmful than the great one, but he is a sponger still. The socialist humor has begun to work freely upon this subject. I have been told: "We do not wish to make the theory ridiculous by forcing it to its last consequences. We shall not disturb the small man in *la petite industrie*, whether on the land or in the little shop. It is the great industry that we attack." This position has, moreover, even in the collectivist doctrine, this justification: many of the ablest writers have held that only when the great industry has driven the small industry to the wall has the time for socialist action arrived.

With this qualification the strongest exponents of Belgian collectivism still maintain the integrity of their theory. Therefore, the plot of ground, the small shop and mill with a few helpers, may be left in private possession until they are brought to ruin by their great competitors.¹

The most vigorous exponent of this party, M. Vandervelde, objects to Dr. Schäffle's famous definition, "the collective appropriation of all the means of production and circulation." "We do not," says this writer, "want all the means of production, but the great and leading industries." He admits that collectivism is but partial until the small employers also disappear. But mean-

¹ See "Le Socialisme en Belgique," pp. 259, 261, by Destrée et Vandervelde.

while the lesser industries are to be left free to develop as they will.

The practical consequences of this attitude are as noteworthy for this party as they are for society in general. Socialist writers before audiences and in their printed appeals will still protest solemnly and indignantly that these changes are free from inconsistencies and of slight significance. My reply to this is that the man who made these qualifications and obvious compromises a dozen years ago, was in every continental country pronounced a renegade. Long after English Fabians had settled to the humbler tasks of political and industrial opportunism, it was common to hear continental socialists speak of the Fabians as a group of bourgeois imitators that would only bring disgrace upon the cause by betraying its fundamental principles. When the Belgian *coopératives* began to develop so far as to hold the collectivist politics in some restraint, many of the brotherhood in France classed them contemptuously with the Fabians, as "mere reformers."

Those who believed in a flawless economic dogma, and in revolutionary and heroic remedies, were right to count these reformers as enemies. From the moment the ways of practical compromise were opened, every step has led to affiliation with the ordinary methods of social improvement. The full force and significance of this show at once in the practical growth of the *coopérative*. In the country it must have capital and therefore a system of saving. The pest of the Jewish usurer is the first obstacle to overcome. One weapon against the usurer has proved so effective that no practical man can ignore it—the

Raiffeisen Bank or some form of Mutual Credit Association. Instead of the usurer's twelve to fifteen per cent, four and five per cent, on better and easier terms, may be secured. Therefore the collectivists adopt these agencies, the very purpose of which is to widen and strengthen private property *in the very forms that socialism has pronounced parasitic*. In the last statement I have received, which records the works and purposes of the party, the socialists are urged to make all possible use of Raiffeisen credit banks. There is even praise of the catholic Abbé Mellaerts who introduced them into Belgium. These banks, says the socialist député from Liège, "rendent de réels services" — "don't go to the great banks, but save your own money. Lend and borrow for four per cent, and win for yourselves economic independence."¹

¹The contrast between the sobriety of the Belgian socialism that has had fifteen years' business experience and the socialism in the neighboring French towns is full of lessons.

The red flag is a sacred symbol, and one of the most popular gayeties is to insult the national emblem — le drapeau tricolore.

Citizen Dormoy is applauded when he points to the national flag at the Congress at Montluçon and says, "Sous les plis duquel le bourgeois a commis toutes les trahisons envers la patrie."

This is the grim and bitter emphasis which is still put upon the determined apartness of the class struggle. One form which this tenacious illusion takes is the uproarious approval of the "universal strike." At every congress since that at Calais, 1890, to that at Rennes, in 1898, this tumultuous resolution is passed, "Let the world's workers lay down their tools; let the millions in every land who produce the wealth stop all toil, and the infamous parasite of capital will soon capitulate." Some talk like this is still tolerated among the Belgian collectivists, but the comrades who guide the movement have learned that it is nonsense. They have come to know first, that the workers will not unite in any such insane escapade, and second, that if they did, it would work chiefly to their own undoing.

For dramatic interest there is even a more startling recommendation. If the great Lassalle had one enemy upon whom he poured more scorn than upon any other, that man was Schultze-Delitzsch. All that was scathing and venomous in the German tongue was showered upon this founder of credit banks for town populations. They were to serve the small needs in the town as Reiffeisen met them in the country. What would this high priest of socialism have said, to find in authoritative socialist sources, a single generation after his death, a cordial recommendation of Schultze-Delitzsch's banking scheme? To Lassalle, every use that the workingman made of these credit banks "added a link to the chain that bound him." The very gospel of "self-help" for which Schultze stood is now advocated simply and directly in the catechisms for popular socialist instruction. (*Almanach des Coöperateurs Belges*, 1900.) The truth is that the *coöperatives* have done their work so well that the members see the necessity of saving, borrowing, lending, even if in forms that violate every theoretic principle of socialism. They have learned that the very principle of association, on which their whole structure must be built, gets its strength through the encouragement of private ownership, not only of "property for consumption" which the theory allows, but of property that creates personal rent and profits. Precisely that has come about which the old guard of revolutionaries predicted: "Once begin to compromise," they said, "with the reform which city, state, or bourgeois has sanctioned, and we are lost. Our glory and our strength is in fighting the existing order, not in preserving and improving it." Whether

for loss or gain, the irrevocable step has been taken. The party is once for all committed to the slower and humbler ways of industrial and political reforms sanctioned by an experience far wider than that which any socialist party can claim.

All that is best in socialism will gain by this change. It need abate no jot or tittle of its purpose to win for society every increment of gain that proves to be "unearned." The transformation that we have followed now forces it, however, to use means and methods that are educational; that furnish, as they are applied, their own tests of success or failure; that tend steadily to unite men as friends, and not to divide them as enemies.¹

¹ The very essence of "self-help" as applied to the work of these coöperatives is seen in the following question and answer in a catechism of 1899.

D. — Que peuvent donc faire les travailleurs?

R. — Profiter de leurs moments de loisir pour s'instruire, apprendre à se diriger eux-mêmes au lieu de remettre le soin à d'autres d'agir pour eux, et enfin tâcher de comprendre et d'utiliser la force qui réside dans la Coopération, p. 17.

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CHAPTER XII

NEXT STEPS

THESE changes of temper, of method, and of purpose open to society every chance that could be asked for the industrial and social renovation that in some way must come. The real peril which we now face is the threat of a class conflict. If capitalism insists upon the policy of outraging the saving aspiration of the American workman to raise his standard of comfort and of leisure, every element of class conflict will strengthen among us. When a despatch is sent to a Southern state, asking for a car-load of negroes to break a strike, we see in concrete form what this use of subject and lower races may mean. Every added cable, wire, ship, and railway which destroy space, make it easier for capital to turn the lower labor standard against the higher. The coming of these cheaper immigrants will be a help, if they are not used to break the power of the unions. Labor organization, in spite of every unhappy fault that can be laid to its charge, stands for the higher standard of living. To break it means longer hours, lower wages, and a bitterer competition among the workers.

A New York builder, angered by delays upon his structure, tells me: "If it were not for the union, I could finish it in two-thirds of the time. I could get

ten hours a day out of them, and I could get them one dollar and a half cheaper. I could bring in young fellows from the country, and everything would hum." Yes, that is precisely what he could do. He could have great speed, cheaper product, and fewer annoyances; but it would all be at the expense of that higher standard of labor for which the unions are making their desperate struggle. The cause of labor is, upon the whole, their cause. The harassing annoyance under which builders and architects, for example, now suffer, is the price we have to pay for a more democratized form of industry that somewhere in the future must come. Unless every ideal of a more equal life is to be given up, this passion should be welcomed for the uses to which it can be put. The way of safety is to educate it, the way of danger is to deride and defeat it.

We have only to humiliate what is best in the aspiration of the trade union, and then every worst feature of socialism is fastened upon us. There is no danger in socialism that for a moment compares with that part of its working propaganda, dear to the extremists — the class struggle. To make men believe, in the fatalities of this social warfare is the deadliest work in which any human being can engage. To make men disbelieve it, by organizing agencies through which the luminous proof appears that men can do their work together, with good-will, rather than hatred in their hearts, is as noble a service as falls to us in this world. To show the possibilities of this more fraternal and peace-bringing process, I have laid much stress upon the changes in the German and Belgian socialism. There could be no better news

from Germany, for instance, than the new chances which these changes offer for the socialists and trade unions to work together rather than in enmity.

In 1890, there were perhaps two hundred and fifty thousand trade-union members. In 1899 there were nearly six hundred thousand. These can now fraternize politically with socialists in the common aim of securing legislative and industrial improvements.

Middle-class sympathizers of every sort can also join hands with social democrats for the same reforms. As the feeling of a purely class conflict fades out, the real unity will be seen to be, not one of vocations, but of opinion and purpose. The party has from the first owed its impulse and guidance largely to those who never were workingmen. Liebknecht, Marx, Engels, Lassalle, Guesde, Jaurès, Hyndman, Brousse, Ferri, Vandervelde, Kautsky, Denis, are but a few of the many to show what the party has gained from those who were in no sense proletarians. Indeed, no darker illusion has ever troubled the whole labor question than the assumption that there is an identity of interests in the entire body of wage earners as against some other class. The *Klassenkampf* rests on this illusion. This was one of the weaknesses of the Knights of Labor. General interests came into speedy conflict with special trade-union interests. The strength of the Federation of Labor is that it has thus far shown skill to avoid this error. It is admitted that the interests of separate unions, glass-blowers, stone-cutters, locomotive engineers, may at any time be much closer to that of the employers than to that of the miners, shoemakers, or printers. Large leeway is therefore given for the

play of special, as against general, interests. Every sympathetic strike brings this fact at once into evidence, so that some of the wisest labor leaders now unite in condemning the sympathetic strike.

Nearly one-half of the strikes in the last quarter of a century in this country are put down by Colonel Wright as "successful," but the sympathetic strike proper is an almost uninterrupted story of defeat. In warning the soft-coal miners not to engage in this kind of strike (1902) John Mitchell told his hearers he had never known a sympathetic strike to succeed. Trade unionism at its best has so far discovered the great fact of the solidarity of interests that it may easily be led to coöperate rather than to antagonize. If we are moved by reason and fairness, its whole massive strength can be turned against our greatest danger—the class struggle, as it may be saved from the worst error of the English unions, the limitation of output.

This is possible, of course, only through measures that are educational; that act slowly upon the habits of thought and action. But the word "education" leaves us in the air, until we know, with some precision, what it is to be, and how it is to work. This must first be made clear. At the Remuneration Conference, in London, 1886,¹ there was gathered perhaps as able a group of men for the discussion of the social question as has ever met for this purpose: statesmen, economists, business men, and artisans.

In an informal gathering, I heard an evening's dispute in which practically every point of view was represented: the individualist of every shade, the

¹ Report of Industrial Remuneration Conference.

single taxpayer, the positivist, socialist, and the business man, who was, as so often happens, by common consent, the gayest theorizer present. The result of the long symposium was what has often been noted — practical agreement as to the social ideal toward which effort should be directed. All alike wanted a society in which opportunity should be organized so fully and so fairly that each could have every chance which his character and ability, industry and good-will, made possible. There was general consent that society, as now organized, does not offer equal chances except to a small minority. The brilliant publicist, Frederic Harrison, after thirty years of hard work upon English social problems, said at the morning session, that the need of social reorganization had come to be so urgent that unless it could be brought about, we were to be left in a condition "which is hardly an advance on slavery or serfdom."

There was also agreement that society, through individuals, or associations, or laws, has power to remove much of this injustice. With one exception the agreement here came to an end. The causes of so much injustice, and above all the means for its removal, excited dissensions. The thing to be aimed at, the far ideal of social relationships, awoke no discords among the disputers. A society in which each may live out generously and gladly his largest and freest life; a society in which each capability may have free play, with the infinite social variety which that implies, was the Utopia in which all believed. Then came bickering and dissent of opinion over ways and means of reaching so fair a goal, and finally, to the common surprise, agreement again — agree-

ment that whatever changes befall or measures are adopted, the race must have a training and a discipline it has not yet received. Education, to which all alike looked forward, was thus the panacea and harmonizer. Happily, for the evening's peace, no one raised the question as to the *kind* of education necessary for this high service, and we went our ways pleased with the illusion which a stately platitude often gives.

That education must at least go hand in hand with social betterment, will be disputed by none. When, however, education is used as a stop-gap to every proposal, we shall, if we are intelligent, make objection. The hoariest commonplace ever used against reforms has the same character, "You can't do anything until you have changed human nature." What service this ancient saw has done from age to age against every hint of abuse to be overcome! That "golden conduct will not come from leaden instinct," has been thoroughly drilled into us.

We accept the admonition, but shall reply, if we are wise, that it does not greatly help us, unless something very definite is added about methods and details. A community that is civilized enough to tax itself for an education under which the bookish tradition should be accompanied by several years of first-rate art and manual training, under which the science, begun in the school garden, would make the farm as interesting as the laboratory or the artist's studio, would go far to wipe out a whole class of social dangers and inequalities. It would take a quarter of a million children from maiming industries and from street avocations, keeping them at habit-making processes until they were seventeen years of age.

This elimination of the child from bread-winning occupations would lighten the crushing weight of competition upon the very class that now staggers most heavily under it.

Clear and immense as the gain of this better education would be, it does not meet all our difficulties. There are in the meantime other duties to be met, and another sort of education for which our need is at least as great.

From an educational point of view, what is the most unanswerable charge that can be brought against our current industrial system? It is that, as a large part of this system now works it creates suspicion, aversion, or stolid indifference which may be worse. Great portions of our competitive business have come to act upon the wage earner in ways that train him neither toward sympathy with his employer nor toward a sense of social responsibility. The "great business," managed by agents under direction of absentee proprietors, has intensified this evil. A mine operator living on the spot said to me: "Our mining population has been getting worse and worse each year. They do not trust us nor we them, and I think one reason is that the direction of the business has so largely fallen into the hands of men who live in the big cities, and have therefore little knowledge of the workmen and little real sympathy with them. They have to trust to bosses and agents who, in order to make a good showing, have to take it out of the men."

But of far more than this special kind of industry, is the main fact true. I once showed to a manager of one of our largest department stores a summa-

rized plan of the coöperative method in the famous Bon Marché in Paris. By the very nature of its business organization it binds an army of clerks to the store and its interests. The American manager said, "I know the Paris store well; we can beat it in many ways, but in one way it beats us: their organization *educates* and ours doesn't." He was proud of the trained clerical efficiency in his own store, but by education under the coöperative influence he meant a discipline that brought an ever enlarging sympathy with the business in its entire social relations. If then, we are to use the word "education" as a remedy for industrial weaknesses, we should understand that all that is outside and apart from the *interior active business processes* cannot make in the workman those habits of thought and of action which society most needs. Neither our business nor our politics is any longer safe unless education means at least as much as this,—*the sum of influences which act upon the laborer continuously in his daily craft*. Much of our industry educates in the sense of producing every degree of skilled performance. It may do nothing to educate socially or fraternally. It has come very widely to do the exact opposite of this. There can be no "remedy" deserving the name that does not recognize the necessity of so modifying the relations of employer and employed that the daily work shall instruct both parties in those things that bind together, rather than antagonize. It is the obvious curse of a great part of competitive work that it now induces antagonism between manager and helper. It does this in an increasing number of industries not accidentally, but in the very nature of

the working relation between them. This autumn, in Milwaukee, Chicago, Detroit, Grand Rapids, Cleveland, Columbus, and Cincinnati, I heard the testimony of business managers of affairs into which strong unions had come, but with no organized recognition by employers. The testimony was almost a unit upon this point. "The relations with our men are getting to be so strained and so delicate that they cannot go on without some change that is more than mere patchwork." The man standing at the head of his business in Chicago said, "It has been getting gradually worse and now is so nearly intolerable that I wonder why we do not all quit business." While blaming trade unions for this, every one of these gentlemen had come to recognize that the trade union could not be got rid of.

This situation has then to be faced,—organized capital and organized labor side by side, both alike growing in strength. For a quite indefinite future these must work together. In what spirit and through what methods is this inevitable fellowship to be carried on? I have just put this exact question to the second largest coal operator known to me. He answers thus, "It is my deliberate opinion that we must continue to fight the unions with all the strength we possess, it will be safer than any hopeless attempt to educate them into common sense."

I have tried to show that if he, and those who think with him, should do this and succeed, we should have an increase of stormy political socialism. But the attempt will be difficult. Public opinion will more and more demand that labor shall have every right of organization (with federation and representation)

to which capital lays claim. Late in the recent strike I found in a town of the middle West, the leading business men (in no way interested in bituminous coal) generous subscribers to the striking miners. Judges, bankers, editors, and even the president of a corporation were among the subscribers. One of the richest and most active business men told me, "I and most of my friends would have subscribed every month until those miners got their claims before a fair arbitration board."

This is the new force of public opinion with which the old dictatorial and arbitrary method of the employer (especially in semi-public corporations) will henceforth have to deal. In this surly fellowship between organized capital and organized labor, both parties have to be educated. The lesson for the employer is, that some way has to be found in which work can be carried on with complete recognition of associated labor. This will involve such modification of the familiar, arbitrary, and individualistic method as to admit what in most of the great business, is essentially the spirit of a partnership. In letter and in law this is still far in the future, but the spirit of it will have to be admitted and acted upon. I have given the consenting testimony of first-rate men of affairs upon this point. The coal operator, just quoted, said to me, "What I hate is, that we can't really recognize organized labor without getting into a box; our men would soon think they were in some way partners with us."

A soft-coal operator in Illinois, who has definitely recognized the miners' association, said, "It gives me the chills sometimes to hear my men talk as if they, too, were actually in the business." The process

may add fever to the chills, but it is the way through which the unwilling parties have to pass. We cannot encourage millions of low-class laborers to come to us without incurring responsibilities. From the first act of Congress at the close of the Civil War "to encourage immigration," to the action of companies to "assist in carrying out the intention of Congress," the class which makes much of our trouble has been encouraged to come. Anthracite operators welcomed the "Slav" because he could keep wages down and break strikes, as was done in 1887-1888. Those who have profited by these luxuries of "wage depressors" and "strike breakers" should no longer shirk corresponding responsibilities.¹

Moreover, once getting this polyglot multitude here, what has been done to civilize them by those who have grown rich from the miners' toil? In many journeys I have found two paltry gifts in all those blackened districts, calculated to civilize and soften conditions.

In one of the richest of the towns, washed by a noble river running too swiftly for safe bathing, I asked a citizen why, in such a place, there were no public baths. The evening had brought to the pretty banks hundreds of miners and their wives. I got this answer: "I live among the swells myself. We have a lot of them. They are sometimes here, sometimes in Europe. All their riches came from royalties, or in some way from the mines. I made a canvass for baths because the miners and their families have to live in such dirt and because the luxury could be given to thousands of these men and women at so reasonable an outlay. No influence

¹ House Reports, 50th Congress, 4147, 2d session.

that I possess can produce the slightest effect. We have some nobly charitable women and a few men who will give to the local hospital, but as for any sense of responsibility for these thousands of miners, it has no existence." Careful search might show some startling exception to this charge; but this gentleman's opinion is that of every investigator of this region. I have looked at scores of great industries at home and abroad, but nowhere have I ever seen a blacker contrast between great private gains and any sense of civic responsibility for the masses who wear out their lives in and about the mines. My object in calling attention to this ungracious fact is to show where ultimate responsibility must *also* be fixed for lawlessness and disorder that break out in time of great excitement. That kind of population, so long and so dangerously neglected, will develop some brutal types, as naturally as the miner's occupation tattoos him with scars.¹

In this industry as in many others, the time is now passed when patriarchal benignities, mere "doing something for the laborers," will meet the need. Less and less will labor be deceived by any dole of *patronage*. In the class of industries here considered, organization of employer and employed must now find a working relation that educates, because of the very nature of the affiliation in which they stand to each other. A common education must replace a one-sided benevolence.

Before reaching the details of this relationship, the frailties and offences of labor organization have to be

¹ For a vivid contrast in method and result, see Annual Report of the Sociological Department of the Colorado Fuel and Iron Company, 1901-1902.

stated. They are as real as any upon the side of capital, even if there is more excuse for them. The sin and the weakness of the trade union has been (1) in its attitude toward the non-union man; (2) in its sullen aversion to new inventions; (3) in its too willing assent to check the output of work; (4) in its tendency to discourage the best endeavor among the better and stronger workers; (5) in its too free use of the sympathetic strike; (6) in a far too reckless use of the boycott.¹ The worst of our unions are guilty of every one of these counts against them. The average union is guilty in the case of part of them, but the best and strongest unions have already risen pretty clearly and cleanly above them all. Enemies of the unions are fond of telling us that "if all unions were like the locomotive engineers, business interests would be safe." Yes, but that is what this body of workmen has slowly reached. Its earlier history is black enough. Other unions have grown safe only through experience and responsibilities. The advance guard of unionism is at the present moment in the United States one of the most conservative influences active among us. After life-long familiarity with the trade union, Commissioner C. D. Wright states that "as a rule trade unions oppose strikes"; that they "are growing more and more conservative." "As a rule they are friendly to machinery."²

¹ That the boycott is not in itself an evil is seen in the fact that most decent people boycott something. It may be the saloon, the brothel, and the gambling den, or a vicious play at the theatre. In a proved case of injustice or indecency this "organized disapprobation" has its moral justification. The trade union abuse of this lies in the fact of the too frequent, reckless, and indiscriminate use of the boycott.

² See *Contemporary Review*, November, 1902.

It has been shown that our trade unions have become socialistic, but it is a socialism that is safe, if we do our duty. It is safe because it asks for a tentative extension of city or state functions. It asks this, knowing that if a city cannot manage electric lighting, for example, better than a private company, the people are not in the least likely to continue that sort of socialism. If it prove that city management is more wasteful, less alert to apply new inventions, more reckless of the peoples' interest, they will not continue this inferior policy.

The kind of training which strong trade unionism (like the Federation of Labor) brings to the workers, leads them to understand how slowly and how experimentally these changes must be made. I have sat through a week's session of the Federation of Labor, learning there that nowhere is the socialist who makes silly or wild proposals so instantly and so summarily disposed of. Nowhere does a crank have a harder time of it. If we omit certain unions in the more corrupt cities, where the leaders learn bad habits by imitation and are too frequently bought and sold, there is at the present moment in this country no more powerful influence to train men for citizenship than the influences at work in the best and strongest labor organizations. This is true of the Federation; it is true of separate unions like the printers, trainmen, iron moulders; many of the longshoremen, and cigar-makers.

But especially do these older and stronger unions learn to check dangerous and revolutionary opinions. If there is any considerable threatening socialism of the latter sort in our midst, it has no such enemy as the trade union. As the trade union strengthens, its

influence against turbulent and revolutionary projects steadily increases. The only agency that will prevent the spread of this conservatism is the fatuous obstinacy which insists upon defeating completer labor organization.

No one can study the growth of the trade union in every country, where capitalistic organization within ten years has made its great strides, without seeing that the new ambitions and successes of unionism are probably as great an event socially and industrially as the "trust." The least astute must now see that the trade union has already won a strength that is neither to be ignored nor too much affronted. The puerile cry to "down" the trust is only matched for inanity by the cry to down the trade union. Both are attempts, through organization, to check certain evils which an unreined competition at last produces. Both equally must be accepted for their uses.

In the case of both, we have to learn that oldest and hardest lesson — to distinguish between uses and abuses. Has federated capital fewer abuses than federated labor? The abuses of the trade union are far more open and ill-mannered; they appear on the surface to violate more impudently social usages by which we set great store. But if both trust and union could have impartial analysis, there is no social good (like freedom and human rights) that would not be found to suffer in deeper and more dangerous ways from the abuses of certain capitalistic organizations than from those of labor. The problem is to check and eliminate the abuses of both. Legal procedure will play an indispensable part in

this, but education will play a part weightier still. Most of the stronger labor leaders in the United States are now ready to use their combined influence in favor of an organization that shall be strong enough and intelligent enough to put no undue check upon new machinery or upon the output of labor. They are more and more against a reckless use of the sympathetic strike. The best of them say openly, that the whole policy shall be to train their men into fairness toward non-union men. The head of the garment workers tells me, "You may say without qualification that this is our aim, and that we shall work steadily toward such an education of our men as finally to bring it about." The head of the locomotive engineers says expressly that they will in no way intimidate non-union men. Mr. Sargent of the firemen's union writes: "When strikes are declared, the men should go home and stay there. If any men can be secured to take their places, let them take them. In the past there has been too much coercion and too little instruction and education along these lines."

Mr. Gompers, John Mitchell, Harry White, give in the same strong testimony as to the purpose of educating their followers up to broader and sounder principles. In *The Garment Worker*, November 22, 1902, an editorial dealing with the unions contains these words: "Browbeating or violence on their part cannot be defended. Where that is resorted to, the ethical purpose of the movement becomes obscure, and hatreds are engendered that offset the brotherly spirit upon which it is founded. No matter how serious the evils to be combated, barbarism cannot be overcome

by more barbarism. If the benefits of the union cannot be made apparent to the non-member, and if the influence which they can exert collectively is insufficient to induce him to join, then their cause has little strength."

Aroused at last upon these questions, let the public take these men at their word; hold them to the responsibilities implied, and try to aid them in seeing that they are fulfilled. Merely to fight the trade union is to get back from it all that is worst in it and nothing that is best; merely to fight it, intensifies the very ills we most condemn. To help it educationally is to work in sympathy with its general purpose, while showing no quarter to abuses which the leaders themselves admit. Those who now direct labor organization have learned, within ten years, the almost resistless power of public opinion to determine the issues of a quarrel when that opinion is once awakened.

What the fighting class of employers has been slow to learn, is that they are losing their power of disciplining their own workmen. In industries where unionism is inevitable, the arbitrary rule of the employer has seen its day. The man who has power to discipline the workmen is more and more their own trade-union leader. In the work of education and of discipline, the employer must now actually have the help of his workmen's representative. There is happily nothing to invent or create anew in the *modus operandi*. The mechanism is already in use and the education has begun. It is among the printers, the longshoremen, the soft-coal miners, the iron moulders, and the Boston carpenters. It is the "joint agree-

ment" between employer and employed which involves complete recognition of labor organization. Contracts have to be made periodically between delegated committees as to wages and all important conditions under which the work is done. It involves systematized arbitration not from without but from within. It puts every natural difficulty in the way of the strike. It involves organized discussion between masters and men on every interest that concerns their common occupation.

In Chicago, that squally home of rough and undisciplined trade unionism, I was told by the able lawyer, A. F. Hatch, who some thirteen years ago drew the agreement between the printers and the Daily Press Association, that "it has worked upon the whole with the best of results. It has been put once to the greatest possible strain, but the men stood by their contract in spite of extreme provocation." The manager of one of the two or three largest stove manufactories in the United States told me: "We have tried it a dozen years and it has settled all questions on this subject for us. Its best trait is that, as it works, it trains the men to see the limits within which they can get advantages. It makes the men more conservative and it makes us more considerate."

The joint-agreement has had its severest tests among the low-class miners of the soft-coal regions. In much criticism that has been given me in Illinois from employers, the worst was that it made the miners "too aggressive for what they considered their rights." "They want to take too much of the business into their own hands, as if they were part owners." That the agreement should have worked so long among

these rough and untrained nationalities, is perhaps the greatest tribute to its future promise. The real irritation of these employers is that their old power of absolute decision is now called in question. In the long period that is now coming to an end, the employer has been dictator not only of his own business, but of interests which concerned his workmen as well. The laborer has now entered the fight to divide this authority. He insists upon taking his part in the discussions (as to hours, wages, conditions), which are strictly his business also.

The employer will long continue to fight for the whole power. The only limit he likes is implied in the phrase, "Take this work at a given wage or leave it." A thoughtful and law-abiding miner in Spring Valley told me in time of a strike: "I was brought here and urged to buy a home for my family; I have half-paid for it; we have a grievance which they will not arbitrate, but they tell me if I don't like the work to leave it. I cannot leave without sacrificing the savings of twelve years. They tie me to this spot and then tell me to submit or get out." This man was fighting for a chance to help decide the conditions under which he worked and lived.

This is what the employer now calls "interfering with my business." He expects sympathy when he asks, "Shall I manage my own business or not?" Yes, he shall manage his own business, but precisely what his own business is, calls for new definitions. It is here organized labor is carrying on its struggle. It is trying to determine what, in the business, should be decided by labor and what by employer. Where the trade union has become fair, it knows

and admits that the employer must have absolute and instant control over all that strictly concerns him as managing director.

This contest over ultimate decisions between employer and employed is so at the heart of the whole issue that I submit an actual instance, every detail of which is very recent history. An employer complains that the trade union objects to his discharging two incompetent workmen. If it were a fact, the union would deserve every rebuking condemnation that could be given to it. Scores of unions are constantly exercising these small tyrannies, but the employers have so long had the habit of making a charge of incompetence in order to get rid of trade-union men, that unions strike back in self-defence. In this instance, however, I give a letter which the secretary of a great group of trade unions writes to a local labor agent on this subject of what is the workman's business and what is not.

"Mr. —, foreman of —, informs me that your only reason for calling out the men was that he refused to continue in his employ two men laid off for incompetent work, and that even your business agent admitted that the work of the men was imperfect. If such is the case, your action in withdrawing the men was not justified. This office, as well as the National Union, is opposed to forcing upon an employer men whose work is not suitable. It is just that sort of thing that creates needless opposition to the union, and causes no end of trouble. Your union is the only one that would make such a demand. Where members are made to believe that they cannot be discharged, no matter what they do, they become

careless, and the poor workman falls back upon the protection of the union. The employer has got to sell the goods, and he assumes the risk, consequently he alone can be the judge as to the quality of work. As long as he pays the union scale and does not discriminate against active members, that is all you can expect of him.

"Now I trust you will not place us in a position where the General Executive Board will have to decide against you.

"Yours Fraternally,

"HENRY WHITE, *General Secretary.*"

This is in no way an exception. It is a frequent decision of the chief officers affiliated with the Federation of Labor. What a critical public is slow to understand is that this is a powerful and increasing influence in most of our stronger trade unions. Under the joint-agreement, it will increase still more. I have known the head of a labor organization, after seeing that the employer was right, to force one of his own unions back to work by sending non-union men (scabs) to bring his men to reason. The worst and most dangerous forces of ignorance in the unions can be disciplined far more effectively by those who direct the unions than by the employers. Directors of those affairs into which unionism has come, must use this influence of labor leaders to preserve order, efficiency, and good behavior among the men. The cynical observers of the union have not learned the kind of power that the best leaders can exercise over their men. In a formidable strike I asked an employer why he refused to treat with the union. He

said, "The men have become bumptious and surly, and we had to fight it out." I then put this question to the trade-union official, "Would you make a definite public statement, and promise that if you were 'recognized' and the responsibility thrown sharply upon you of keeping your men peaceably at work, giving absolute power to the employer to discharge every incompetent and unmanageable workman, could you and would you take that responsibility?" His instant reply was: "That is precisely what we want. If the employer will not use these excuses to break our union, but will discharge only the men who are impudent, or disobedient, or do bad work, he shall have every assistance we can give him to clear out such men. We can make it hotter for those men than he can. They are afraid of our power, they are not afraid of his. Give us the responsibility with an adequate contract, and I will promise before the public to keep our men at work. I should like to have the full glare of public opinion thrown on us. We would promise publicly that if we cannot discipline our own men, and let the employer discharge every man fairly proved to be troublesome, lazy, or incompetent, we will confess as publicly that trade unions are a failure."

Now if we care for the thing called education, responsibility of this character must be given. "Fighting it out" is one resource, but it is stupid and objectless. The joint-agreement, practically adapted to each business after its nature and conditions, is not free from perplexities, but every step in its application and enforcement educates in the only possible direction in which industry must move, if it

moves in the way of progress. There is no ray of hope except in some method that forces the two parties to work more and more together, instead of more and more apart. There is nowhere a substitute for this compelling common action that teaches the employer what is just, possible, and right in the new claims of labor, and teaches labor the difficulties and the limitations within which modern business can be made a success.

Let the disciplinary influence of the joint-agreement do its work for some years, and "incorporation" will at least get the hearing which is now impossible. To reach this incorporation by the help and sympathy of the union is far safer than to imitate England's recent step of forcing incorporation. Force will merely increase the socialistic temper of the unions. To win them by the slower processes of education through added responsibilities is a far safer policy.

Toward this, the joint-agreement will help. I do not make the absurd claim that this systematized understanding between the two parties is a panacea. Because the word "panacea" is rejected, it does not follow that the more modest proposal may not have what is relatively a very supreme importance. The evidence is overwhelming that this importance may be fairly attributed to the joint-agreement if only employers will bring to it something of their real strength and sympathy. It gives us arbitration in its very highest form; that is, from within. It gives it in the one way to secure every enlightening educational advantage. It is to the joint-agreement that we must look for our best answer to all premature calls for trade-union incorporation. At present the

unions are right in rejecting it. Multitudes of men, especially among the newer immigrants, would see in this power of the court a reason for not joining the unions. Until they have reached a greater strength and stability, incorporation would hamper them in the best work they are now doing. But the point I urge is, that the joint-agreement does a far better educational work. To keep agreements voluntarily, is a much higher discipline than to do it under force. For many years unions have actually kept contracts when employers have genuinely and heartily coöperated with the joint-agreement.

There is no such convincing proof of this as the fifteen years' trial between masters and men in the Boston Building Trades. The agent of the employers, W. H. Sayward, who brought about this agreement, conducting it with growing success for eighteen years, allows me to say that under it scores of strikes have been prevented, millions of money saved, and the most delicate questions, like the limitation of output and apprentices, the use of the boycott, the conflicts between different unions, and the sympathetic strike, are now so far understood as a result of this education that they are no longer feared.

Speaking from the side of the employers, Mr. Sayward says: "My experience has convinced me that labor thoroughly organized and honestly recognized *is even more important for the employer than for the workmen.* It makes possible a working method between the two parties which removes one by one the most dangerous elements of conflict and misunderstanding."

It is from these building trade unions, in cities like

Chicago and New York, that many of our worst abuses have come. It is here that the architect, as between the devil and the deep sea, has his most tormenting experience. It is here that the bribing and buying of walking-delegates have done their pernicious work. Mr. Sayward says, "Not one of these evils is necessary, they can be educated out of the way." Where the union has been openly recognized under this joint-agreement, and the representatives of employer and employed have learned the habit of meeting difficulties as they arise, the terrors of the walking-delegate and the "scab" begin to disappear. The name "walking-delegate" is replaced by "business agent." Mr. Sayward says: "I no longer either fear or object to the walking-delegate. I see that he is a necessity to the best work of the union." In an address before the National Association of Builders,¹ Mr. Sayward criticises the employers for saying that they will not treat with the unions *until* they are improved. "This," he says, "is like asking the child to swim but not go near the water." The employer must take part in this educational work as a very condition of its success. In closing this address, Mr. Sayward said, "that either for the building trades or other lines of work, these intricate and involved matters will not take care of themselves; they cannot safely be intrusted to *one* of the interested parties alone; *both* parties must have equal concern, must act *jointly*, not only in their own interests, but, in effect, in the interests of the community."²

¹ Held in Washington D.C., October 28, 1902. Printed in the *American Architect* for November 22, 1902.

² See Appendix, p. 381.

For that trouble-breeding portion of industry here discussed, the joint-agreement is all that any "solution" can be; namely, the next best practical step toward a rational industrial method. These agreements are not of universal application. They apply at points where unionism is inevitable; where the wage system is under such strain as to require modification in the direction of a more democratized management. Every scheme that is not inherently educational is worthless, because the clash of the trust and the trade union is raising new issues for which an enlarged social morality is necessary.

I have seen an extremely decorous group of persons listening unshocked to the story of a corporation which had for years systematically debauched the local legislature and with cool deliberation brought small independent firms to ruin. It was said, "Oh, but the corporations must do it to avoid blackmail; and as for ruining other people's business, that is only the law of progress." When this same company heard an architect tell of the slugging of a non-union man, there was an instant spasm of moral exasperation. For a perversity of unfairness like this, the one need is light and larger experience. The embittered workman is often as fantastic in his unfairness. The story of a "heaved brick" at the scab shocks him as little as these prosperous diners were shocked by the greater sins of the corporation. There is little hope save in educational processes that enlarge the perspective of both.

Among educated folk generally, there is thus far apparently no hint of what the word "scab" symbolizes to the unionist. I write no word of defence for a

single abuse connected with it, but the time has come when some honest attempt should be made to understand a force of such extraordinary persistence and prevalence. Without such understanding, we cannot even conceive an educational plan, to free this feeling from its abuses.

A concrete instance will give more light than an argument.

During one of the strikes I had a guide through the collieries below Wilkesbarre. I found him in a modest cottage for which he had paid, in nineteen years, all but three hundred and seventy-five dollars. He and his wife had made a garden. Flowers were abundant, and vines had been trained into a pretty arbor. Here six children had been born. Here three of them had died. If associations that knit into sensitive tissue every deeper human experience influence any of us, they are not likely to have left unmoved the owners of this simple home.

This man and his mates had struck. They asked that their grievances be considered before some fair tribunal. The employers refused to arbitrate, but began forthwith to bring in outside labor to take the place of the strikers. I give this miner's view of the situation, not as a final answer to the hard question involved; I give it, confident that no answer is worth stating which does not carefully take his view into account. "We asked for months," he said, "that certain conditions under which we work be changed. The employers would not listen to us, and we struck. Now while we are simply waiting to have our dispute fairly settled, they bring in outside men and take away our work. I was brought here by the last

foreman and urged by the company to buy our home. It cost us years of saving. Now they tell me to get out if I don't like the work here. I can't get out. This is my home, with all my friends, my church, my union. There is no other industry here except the railroads, and they won't look at a man fifty-four years old."

No fair person, with the imagination to put himself in another's place, will believe that the letter of legal justice meets all that there is in this case. Neither will such person fail to understand why this miner was bitter against the outside workman who was willing to come in to take the miner's place during the dispute.

In this special strike, who was this outside non-union man (the scab)? Hundreds of them were men in other industries steadily at work. It was the time when republican orators were saying with much truth, "Every man is at work." These men were hired for a better wage to leave their work, to take the job of another who was for a time asking to have his demands considered. There are now men in our cities whose business it is, to hire themselves out as "strike breakers." Asking no questions as to the right or wrong of the strike, they are ready to go hither and yon to take the places of other men. I have seen miners who had learned from those inside the mine that those who had taken their places were brought from a city outside the coal region where they were regularly employed. It is a terrible strain upon average human nature to look upon this with the coolness and self-restraint of the disinterested observer. In spite of the provocation, personal vio-

lence should be met with the swiftest stroke consistent with justice. Scarcely a value of our civilization equals that of law and order. But the real rights of these miners are not settled in this instance, after the law has done its work.

A question remains which is not yet settled. Morally, and on grounds of good policy, we have still to meet this issue of the non-union man in time of strike. No generalization is yet possible, but in cases like the above, when troops of men have been expressly encouraged by the company to buy their houses, non-union men should not be brought in to break the strike until every fair resource of arbitration has been exhausted, even if it drives us to compulsory arbitration. To refuse arbitration, and then hire private retainers of the Pinkerton type, will not long be tolerated by a fair public. The irritants and the dangers are not only too great, they are not necessary. The joint-agreement avoids them. Under its provisions, work is not stopped until the forces of arbitration have done their work.

We repeat the phrase, "Oh, if the trade unions only had really competent leaders." Let us learn another phrase that is quite as apt, "Oh, if the great business had leaders competent enough to avoid the unnecessary sources of suspicion and bitterness among their workmen."

A wise use of the joint-agreement, made elastic and practically adapted to varying conditions, is one long, sure step toward such leadership, and toward the common educated good will upon which industrial peace depends.

CHAPTER XIII

A FINAL QUESTION

It has been shown what is possible with labor organization when, with intelligence and open-mindedness, masters and men unite under orderly methods. We have finally to ask in what spirit another disquieting presence rising in our midst is to be met. We may save ourselves a world of trouble by trying, first of all, to bring to bear upon socialism enough intellectual sympathy to understand it. Only in rare instances have our business men, or the public generally, honestly tried to know what the immense sacrifices behind the trade union really mean. At this late day, because of compulsion and inconvenience, we are putting forth some effort to understand the industrial struggle for existence from the point of view of labor organization. It is now seen that a little of this tardy wisdom could have saved the vast waste of the coal strike by doing in the beginning what public opinion compels us to do many months afterward. The joint-agreement of the Boston Building Trades would not only have saved New York and Chicago inconceivable sums, but would meantime have educated both parties to the contract so that a sea of future ills could be avoided.

The opportunity is given us to be wiser with the coming socialism than we have proved ourselves with

trade unions. The German and much more the Belgian experience which has been given, show us that socialism has now developed so that an educational coöperation with it is possible. We cannot at present have the Belgian *coöperative*. For a considerable future our battle will be in cities and with public-service corporations. For the highest educational purposes this gives us every advantage that we need. Thus the final question, as distinctly moral as it is one of self-interest, I conceive to be this: Are we as a people willing to put in practice those methods which increase this educational coöperation? I have given much evidence to show that the trade union, socialism, and business management, taken at their best, are now so far in touch, that a common working basis of industrial and administrative experiment is at least possible. It is through these experiments that our best discipline is to come. There are splendid hopes for a well-ordered industrial society if we are brave enough and generous enough to recognize these possibilities of agreement and to use them educationally.

On the need of industrial reconstruction; on the defects of the wage system; on the abuses of the trade union as well as of the trust; on the need of extending legal regulation, there is now a very remarkable consensus of opinion among able writers, economists, business men, labor leaders, and socialists trained by experience. This general acquiescence does not, of course, extend to details or to methods. It gives us, nevertheless, so broad a ground of common sympathy and understanding, that it should be made the basis of a new educational and experimental activity.

When one of the strongest of the coal operators admits (see p. 32) that there is no hope except in a frank recognition of the unions and the consequent common education that would follow, that kind of employer should be brought into relation with labor men who, for the same reason, are asking recognition. Employer and employed here speak the language of a common experience.

When a first-rate railroad president of large experience with labor says (see p. 33) that in these days a man who is not strong enough to work with labor organizations is not strong enough for his position, we wish to add him to the group. When the head of a very successful corporation (see p. 195) says that in large concerns like his own, not only the trade union but the spirit of partnership should be recognized, we add him to this new fellowship. It is very common to hear this type of business man admit that in large affairs the arbitrary, traditional expressions, "my business," "take it or leave it," "I will manage it as I like," are soon likely to be classed properly with the elder Vanderbilt's "the public be damned." These business men of larger outlook are increasing precisely as a safer and more conservative type of labor leader is increasing. Every device which brings these and those like them together, has in it the binding and educational influence that alone makes for social safety.

As the socialist makes his appearance — as he soon enough will — among our mayors and town councilors, he should be met in the same spirit. As in the case of the trade union, we should welcome the joint-agreement for the teaching power that is in it, so

socialism should be taken at its word. Once in office, it should have safe tether for practical experiment.

The socialist asks for a profound social reconstruction to the end that a new justice and a new brotherhood may obtain among men. The admissions that much of this criticism is just; that much of this organization is necessary and right, are from successful men of affairs who have the gift and the courage to take the social point of view rather than judge so vast a question from the ground of immediate private interest.

As we bring these disinterested admissions face to face with socialist criticism, when it also has learned to take the social point of view, we stand not in sharply divided and hostile camps, but on a common ground where men of good will can work together.

For example, between the older socialist, who believed that the wage system held the whole labor world on the margin of bare subsistence, depriving him of every hope of advance, and the individualist who has nothing but praise for the wage system, there is no ground for reconciliation. But if the individualist has come to see the imperfections of this relation between employer and employed, and the socialist has come to recognize what the wage system has actually accomplished, there is at once room for sympathy and coöperation. My claim is that precisely this is being brought about. Such a possible sympathetic understanding already exists upon the most essential points in dispute, if we select in each of the opposing groups the most socially developed intelligence.

A man who has managed with brilliant success, for many years, from one to five thousand men,

tells me that the day is near at hand when the present methods of wage payment must undergo very radical changes; that it is too inelastic to meet the new conditions of industry; that it results in enormous waste through strikes; that the old idea of contract needs modification. He does not profess to know how these changes are to be brought about, but thinks it is likely that the spread of industrial training will more and more make it possible to admit groups of workmen into a practical partnership in the business. He affirms that a good deal of business, that is most vital to the whole public, has already reached a stage in which the business ideas upon which he was brought up seem to have no place. Now I am certain that if this man were to spend an evening with socialists like Von Vollmar, Bernstein, Miller-and, Anseele, and Professor Hector Denis, he would find so much in common that he would not think of them, or they of him, as separated by an impassable gulf. He would not think of them as moving east while he was moving west. His own admission about the defects of the wage system would bring them near enough, not only to understand each other, but to see that some measure of practical coöperation would be easily possible. These socialists have learned as much that is favorable to a long-continued use of the wage system as this business man has learned of its defects.

A Belgian socialist, after some years' experience in managing a coöperative bakery, told me: "I was taught to believe that payment by wages was the deadly economic sin, but I don't see how we can ever do anything but modify it a good deal. If business

is highly organized, we shall continue to pay something very like wages. We shall continue to employ a class of middlemen that I used to think unproductive, because they did not actually make things. But to get products where people want them is just as necessary as to make them, and those who do this have to be paid." I should go far to listen to a discussion between this socialist and the business man just quoted on the changes in the wage system, which both admitted to be desirable. Each would have understood the other's speech; each appreciated the other's difficulties.

Twenty years of hard work under responsibilities has brought socialism to the point where it may be coöperated with in ways that educate and at the same time furnish the very evidence we need as to the superiority or inferiority of its methods. The first demand of the socialist mayor or town council is to set aside the contractor and build the schoolhouse or the sewer directly by the city employees. This represents in theory a step in the socializing of profits. If they should succeed in this, the community gains. If, by doing poorer or costlier work, they fail, the failure goes down at once to their discredit.

A people as fearless and as careless of tradition as we claim to be, should welcome the occasion to say: "You socialists condemn our private profit-making régime. It is true we have made poor work in managing our cities. There has been extravagance and corruption. You come with promises to improve upon this. You shall have a perfectly fair chance to put your methods on trial before the community.

You shall do enough city work without the profit-maker to furnish your own evidence. If, in expense or in excellence, you can serve the city better, the credit shall be yours. To prove that the contractor is a useless burden to the taxpayer, will bring you new votes.

From a confidence like this, no social interest could suffer. It throws upon the collectivist innovators a burden of work so serious that its educational influence acts with automatic directness. Under this responsibility of *doing* things, they learn the soundest lessons upon the very points where ignorance is a social and industrial danger. Day by day, made accountable for results, they learn the value and place of new machinery; they learn prudence in lowering the hours of labor; they learn the risks of limiting their output, and the necessity of applying the minimum wage with business caution; they learn why the "universal strike" is a folly and why the wage system is still of service; they learn that coöperative substitutes must come gradually and prove their superiority step by step. Best of all, they learn that the Mecca of the coöperative commonwealth is not to be reached by setting class against class, but by bearing common burdens through toilsome stages, along which all who wish well to their fellows can journey together.

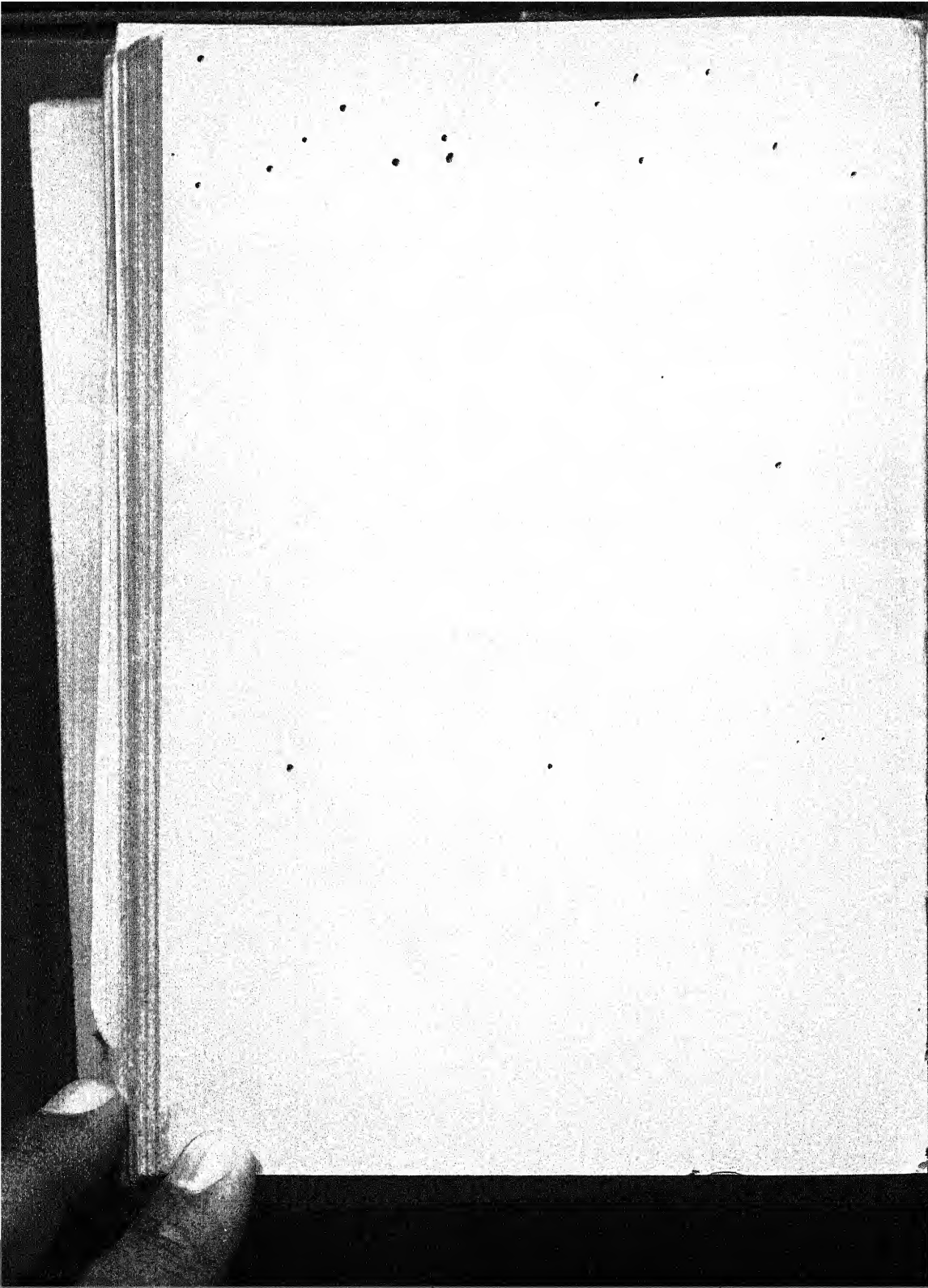
The noblest word that I have ever heard from any coöperator was this: "You cannot make this more democratic business work, without calling on more and more people to help you. If it should ever conquer the hand-to-hand fight of competition, then everybody, whether they wanted to or not, would *have* to help everybody else."

The habits which gain strength from this consciousness of mutual aid would give to labor the serenity and delight which it has too rarely known.

This dream of a day when life's work—even the drudgery and the routine—may be done with the ennobling sense that every energy of hand and brain helps the many as it helps the doer, has in it the most sustaining of all enthusiasms.

To work slowly and painfully toward this end is a possibility that need not be deferred. The sacrifices that it requires are the surrender of many things that are now our vexation and our curse. Some abandonment there would have to be of a stiff and contemptible class pride; much yielding of domineering temper; some shattering of idols where doting worshippers pay homage to the meanest symbols of social inequality. We shall survive even these deprivations. They are losses which make no man poorer, but rather add to the riches of us all.

APPENDIX



APPENDIX

A SINGLE illustration of a trade-agreement is here given to show its exact character in one industry.

It is this type of joint organization which was considered in great detail by employer and employed at the recent meeting of the Civic Federation in New York, December 8, 9, and 10.

From seven different industries the testimony by masters and men was overwhelming as to its effectiveness.

The following is the last joint agreement of THE JOINT COMMITTEE of THE MASTER CARPENTERS' ASSOCIATION OF THE CITY OF BOSTON and THE UNITED CARPENTERS' COUNCIL OF THE CITY OF BOSTON AND VICINITY, created under agreement of the two bodies to settle all questions of mutual concern to employers and workmen in that trade, without strikes or lock-outs, and have decided upon the following

WORKING RULES

to govern employers and workmen in that trade for the term ending May 1, 1904, acting under the following

DECLARATION OF PRINCIPLES

In carrying out these rules the parties thereto, that is to say the members of the Master Carpenters' Association of the City of Boston and the members of the

United Carpenters' Council of the City of Boston and Vicinity, are to sustain the principle that absolute personal independence of the individual to work or not to work, to employ or not to employ, is fundamental, and should never be questioned or assailed, for upon that independence the security of our whole social fabric and business prosperity rests, and employers and workmen should be equally interested in its defence and preservation. Inasmuch as the United Carpenters' Council is now being recognized as a proper body to coöperate with in settling all matters of mutual concern between employers and workmen in this trade, it shall be understood that the policy of The Master Carpenters' Association shall be to assist the said Council and its constituent Unions to make their bodies as thoroughly representative as possible.

WORKING RULES

1. *Hours of Labor.*

From May 1, 1903, to May 1, 1904, not more than eight hours' labor shall be required in the limits of the day, except it be as over-time, with payment for same as herein provided, except in shops, where the time shall be nine hours.

2. *Working Hours.*

The working hours to be from 8 A.M. to 12 M., and from 1 P.M. to 5 P.M., with one hour for dinner, during the months of February, March, April, May, June, July, August, September, October. During the months of November, December, and January each employer and his employees shall be free to

decide as to the hours of beginning and quitting work, always with the understanding that not more than eight hours shall be required, except as over-time, as herein provided for.

3. *Night Work.*

Eight hours to constitute a night's labor. When two gangs are employed, working hours to be from 8 P.M. to 12 M., and from 1 A.M. to 5 A.M.

4. *Over-time.*

Over-time to be paid for as time and one-half.

5. *Double Time.*

Work done on Sundays, Fourth of July, Labor Day, Thanksgiving and Christmas days to be paid for as double time.

6. *Wages.*

From date of this agreement to May 1, 1903, the minimum rate of wages to be 35 cents per hour. From May 1, 1903, to May 1, 1904, the minimum rate of wages to be $37\frac{1}{2}$ cents per hour.

7. *Pay Day.*

Wages to be paid weekly at or before 5 P.M. of the established pay day of each employer.

8. *Waiting Time.*

If any workman is *discharged*, he shall be entitled to receive his wages at once, and failing to so receive them, he shall be entitled to payment at regular rate of wages, for every working hour of waiting time which he may suffer by default of the employer. If any workman is *laid off* on account

of *unfavorable weather*, he shall not be entitled to waiting time. If any workman is *laid off* on account of *lack of materials*, he shall be entitled to receive pay for every working hour at the regular rate of wages until notified that work must be temporarily suspended, and in that event he shall be entitled, on demand, to receive his wages at once, the same as in case of discharge. Should an office order be issued to a workman in payment of his wages, the workman shall be entitled to additional time sufficient to enable him to reach the office to receive payment.

9. *Business Agent.*

The Business Agent of the Carpenters' Union shall be allowed to visit all jobs during working hours to interview the Steward of the job, and for this purpose only. Nothing in this Rule shall be construed as giving such Agents any authority to issue orders controlling the work of workmen, or to interfere with the conduct of the work, and any infringement of this Rule shall make the Agent so infringing liable to discipline after investigation. . .

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